Daily Report

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FBIS-EEU-91-155 *12 August 1991*

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Council of Ministers Reports on Refugee Situation

AU1108130091 Tirana ATA in English 0809 GMT 11 Aug 91

[Report by the Council of Ministers' spokesman]

[Text] Tirana, August 11 (ATA) — The Albanian Government is following with special attention and worry the problem of the refugees who left for Italy and Malta recently. About 3500 persons have returned home by plane and sea so far.

As the Italian side has reported at present there are 8 thousand Albanian refugees in Bari. About 4500 of them are in the stadium of the city. The rest, about 3500, have gathered in special points ready to leave for Albania.

On August 10 the Albanian side contacted the Italian party expressing the concern of the Albanian Government and readiness of the Italian Government to turn our nationals as soon as possible and to treat them carefully.

On August 10, the deputy minister for foreign affairs Ilir Bocka discussed with Ambassador Cardilli on the program of the Italian authorities for the return of the rest of the Albanian refugees. While contacting the Italian party they also define the measures and roads to realize this.

As for the Albanian refugees who have gone to Malta, the Maltese side in cooperation with the UN High Commission on Refugees, is organizing their return in Albania.

Press, Information Statement

AU1108192991 Tirana Radio Tirana Network in Albanian 1800 GMT 11 Aug 91

[Text] A statement by the Council of Ministers' Press and Information Department reports that the government group charged with monitoring the problems of stabilizing the situation in the ports and the exodus of Albanian citizens met today in Prime Minister Ylli Bufi's office.

Deputy Prime Minister Zydi Pepa; ministers Perikli Teta, Muhamet Kapllani, and Fatos Bitincka; Teodor Kareco, secretary-general to the Council of Ministers; Army Chief of Staff Kostaq Karoli; Fadil Cani, deputy minister of public order; and others attended.

The members of the government group reported to the prime minister about the tangible results of their work in enforcing the government's decision for stabilizing the situation in the ports and preventing such events by imposing a special military regime in the ports.

Defense Minister Perikli Teta stated that the measures taken in recent days by the Army and the forces of order have led to the establishment of the regime decided on by the Council of Ministers in all the ports. According to this decree and according to decrees issued by President Ramiz Alia, the Ministry of Defense has taken the border guards under its control, and the ports are being controlled by military units. Their [words indistinct] have also passed into the hands of this ministry. The forces of order have taken measures to prevent illegal acts in port areas. As a result, the situation has stabilized today, and the measures that have been taken are sufficient to keep it under control. Therefore, a decision was reached for the ports to resume normal work tomorrow.

The prime minister was also informed about the work of the competent organs to determine the responsibility under the law of those whose behavior permitted or encouraged the exodus. A representative of the procurator general reported on the investigations that are under way.

The meeting also discussed the progress of the operation to repatriate the Albanian refugees, to bring it to a speedy and conclusive end. Data shows that the number of persons repatriated by air and sea yesterday reached about 8,500. The operation took place normally and without incident. The operation is continuing without interruption and is expected to be completed tomorrow.

Defense Ministry Announces Assuming Control of Ports

AU1108192591 Tirana Radio Tirana Network in Albanian 1800 GMT 11 Aug 91

[Text] A Defense Ministry announcement states that, in implementation of Decree No.16 of the president of the Republic of Albania dated 9 August 1991, the Defense Ministry has taken into its control the seaports of Shengjin, Durres, and Sarande as military facilities of special importance. The ports' military guards will carry out their duties under the laws and military regulations relating to the defense and protection of military facilities of special importance. The aforementioned ports are ready to start work.

Soldiers Seal Off Airport

AU1108190291 Mainz ZDF Television Network in German 1700 GMT 11 Aug 91

[Dietmar Schulz report]

[Text] At the end of the latest refugee drama in Albania, the Army has taken over the command [of the ports]. Soldiers with rubber truncheons and firearms are sealing off Tirana Airport and the sea ports of Durres and Vlore. Today 5,000 refugees who had been deported from Italy arrived in these three cities. About 300 refugees from Malta also arrived by plane today.

The Army has everything under control and wants to nip any protest against the deportations in the bud. Having returned now to Albania, many refugees are confronted with their old troubles—they are without work, poor as church mice, and without any hope for improvement. It was above all young people who captured the refugee ships. It was a spontaneous escape without any preparations, at least for most of them. But people associated with politics organized the mass escape. Today it became

clear that memoers of the former secret service, Sigurimi, and old Stalinists from the former communist party of Albania provoked and organized the escape. Via the radio, they spread the news that there were ships in Durres and Vlore that would take refugees to Italy. The subsequent flood of refugees was able to reach the port areas unhindered. The guards had been withdrawn. In Vlore, for example, fishing boats that had been prepared took those who were willing to escape to the freighters anchored in the harbor.

Decree on Control of Ports

AU1008192691 Tirana ATA in English 0814 GMT 10 Aug 91

[Decree by President Ramiz Alia issued on 9 August]

[Text] Tirana, August 10 (ATA) — The cabinet of the president reports that on August 9 by the proposal of the Council of Ministers and for urgent needs, the president of the Republic Ramiz Alia issued a normative decree reporting on the following major changes:

1. The ports of Durres, Vlore, Shengjin and Sarande are declared military objects of special importance which are defended by the forces of the Ministry of Defence.

2. The border forces of the Republic of Albania depend on the Ministry of Defence and not on the Ministry of Public Order as previously.

Crowd Defaces Hoxha Statue; Clashes With Police

AU0908195491 Tirana ATA in English 1802 GMT 9 Aug 91

[Text] Tirana, August 9 (ATA) - On August 8, there was no electric light in the district of Gjirokastra from 1815 to 2300 because of a serious defect in the electric substation. At about 2030, nearly 150 persons, mainly youths, making use of darkness, headed to the monument to Enver Hoxha chanting already known slogans. The forces of order acted firing in the air. The crowd retreated but later on it was impossible to confront it. In this way the forces of the order withdrew. After this the crowd damaged the monument on the face, hands and partially in the body. After 2330 there was tranquillity in the city.

Concerning the problems arising from this action, the provisional pluralistic executive committee convened on August 9. Taking into consideration the opinion of the majority of the [word indistinct] political parties and "Omonia" organization of the district it decided to solve them in time as to remove the monument, to use the building of the Socialist Party for the needs of the executive committee of the district, etc. [sentence as received]

Bulgarian Parliamentary Delegation Visits Kruje, Departs

AU1008142791 Tirana ATA in English 0807 GMT 10 Aug 91

[Text] Tirana, August 10 (ATA)—On August 8, the delegation of the Bulgarian Parliament, headed by its chairman, Academician Nikolay Todorov, went to the town of Kruje, where it visited the museum of the national hero George Castriot Skenderbeg and got acquainted with the century-long struggles of our people against Ottoman occupiers.

On August 8, too, Stefan Naumov, ambassador extraordinary and plenipotentiary of Bulgaria in Tirana, gave a reception on the occasion of the visit of the delegation of the Bulgarian Parliament headed by its chairman, Academician Nikolay Todorov.

Attending were Dr. Kastriot Islami, chairman of the Presidency of the People's Assembly, Lush Perpali and Aleksander Meksi, deputy chairmen of this Presidency, deputies, etc.

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The delegation of the Bulgarian Parliament left our country on August 9.

It was seen off by Ilir Manushi, chairman of the Executive Committee of Korce District People's Council, deputies and officials of the People's Assembly, as well as by the ambassador of Albania in Sofia, Bashkim Rama.

Supreme Court Overturns 22 Death Sentences of 1951

AU1108193391 Tirana Radio Tirana Network in Albanian 1800 GMT 11 Aug 91

[Text] In 1951, The Supreme Military Court of Albania sentenced 22 citizens to death by firing squad on charges of treason and acts of terrorism. The Supreme Court of the Republic of Albania, at the request of its chairman Kleanthi Koci, and as part of the process of the democratization of the country's life, has reviewed their cases. On August 10 1991, a plenary session of the Supreme Court conducted a trial and found the verdict of the Supreme Military Court to be unjust and not based on any evidence. The Supreme Court overturned the earlier verdict and declared the innocence of the following persons sentenced: Tefik Shehu, Hekuran Troka, Lluka Rashkovic, Haki Kodra, Pandeli Nova, Thoma Katundi, Fadil Dizdari, Ali Qoralliu, Jonuz Kaceli, Gafur Jegeni, Petro Ikonomu, Zyhdi Herri, Niko Lezo, Myftar Jegeni, Qemal Cacaruo, Manush Peshkopia, Andon (?Belcika), Reis Selfo, Gjon Temali, Pietrin Guraziu, Mehmet Shkupi, and Sabiha Kasimati.

The court reached the conclusion that these persons committed no terrorist acts or crimes against the homeland. This decision is final.

Assembly Debates Privatization Bill

AU1008135591 Tirana ATA in English 0759 GMT 10 Aug 91

[Text] Tirana, August 10 (ATA)—The proceedings of the People's Assembly continued on August 9 at 19.00. It examined the draft law "For the Sanctioning and Protection of the Private Property, Free Initiative and Independent Private Activities and Privatism." Representatives of the three parliamentary groups and deputies considered this law rather important for the democratization of the economy and the increase of the standard of living of the people.

According to the provisions of the draft law, physical and juridical private local or foreign persons are allowed to have free initiative.

This draft law defines the procedure of allowing, creation and functioning of private activity and the organs which will realise this process as well as their competences.

Another question of importance envisaged in the draft is the use of the construction site. The draft makes the difference between agricultural land and land which is a national asset such as mines, waters, forests, pastures, streets, airports, strategic areas, etc., and the construction sites, on which according to respective rules, factories, buildings, enterprises, hotels, shops, etc., of economic- trade interest can be built. The draft envisages that the construction site be given to local physical and juridical persons on payment, whereas to the foreign physical or juridical persons it is rented for a period of time of 49 years.

The deputies adopted in principle the draft law then examined it article per article.

Discussion on this draft law will continue on August 10.

Passes Bill

AU1108145091 Tirana ATA in English 0813 GMT 11 Aug 91

[Text] Tirana, August 11 (ATA)—The People's Assembly continued its proceedings on August 10 in the morning with the examination of the articles of the draft law "On Sanctioning and Protection of Private Ownership, Free Initiative and Independent Private Activities and Privatization."

After endorsing it article per article, the deputies deemed it necessary to add two other articles to the draft law which has to do with the guarantee of the private ownership and the definition of the cases when it is nationalized and the forms of remuneration. The deputies endorsed in general this draft law which enters into force immediately.

In the end of the proceedings, the deputy Cun Jonuzi took the floor. On behalf of the parliamentary group of the Socialist Party, he made a statement concerning the stand of this party with regard to the current events taking place in our country and the dangers menacing democracy.

Arben Imami made a statement on behalf of the parliamentary group of the Democratic Party. He concentrated on the sharp problem of exodus and demanded from the government to engage itself in finding out the authors of such scenarios which are anti-Albanian and anti- democratic.

The People's Assembly will continue its proceedings in plenary sitting on August 12.

War Veterans Oppose Amnesty for 'Quislings'

AU1108145191 Tirana ATA in English 0909 GMT 11 Aug 91

[Text] Tirana, August 11 (ATA)—Just as our entire people, the war veterans too, as sons of the patriotic and freedom-loving people, express their conviction that the approval of the law on amnesty will contribute to social understanding and unity of the people for the present and future, says amongst others a statement of the National Committee of the War Veterans of the Albanian People.

But we do not reconcile with and dissociate ourselves from the statements of some deputies, who propose to give amnesty, and even declare unguilty all those who have committed political crimes during the National Liberation War at the expense of our innocent people. They also strive to throw mud on this struggle.

Likewise, we are against amnesty for the major leaders of the quisling power of Balli Kombetar [National Front] and Legaliteti [Legality]. To this category of people openly testify not only our documents, but also the Italian, German, English, and American documents, which show that they have been collaborationist organizations and have been put in service of the foreign occupiers, being accomplices and organizers in the crimes against the people.

We uphold that the Anti-Fascist National Liberation War inscribed an important stage in the history of our nation as for the tasks it solved and the proportions it assumed, says the statement. We publicly dissociate ourselves from those who seek to give amnesty even to the criminals, who it is common knowledge, have perpetrated crimes towards the innocent people or have conducted and organized different massacres in cities and villages with their gangs and in cooperation with the occupation armies.

Relying on documents, the historic truth shows that the National Liberation War was an effective struggle against the Nazi fascist occupiers, it was a struggle of the whole Albanian insurgent people in the ranks of world anti-fascist coalition.

Zhelev Holds First Anniversary News Conference

Threatens To Exercise Veto

AU0908172991 Sofia BTA in English 1654 GMT 9 Aug 91

["President To Exercise the Veto"—BTA headline]

[Text] Sofia, August 9 (BTA)—It is wrong to deprive Bulgarian nationals abroad of their right to vote. This will be a step back in comparison with last year. This is a violation of the Constitution. Thus President Zhelyu Zhelev argued against parliament's decision. He announced that he will exercise the veto unless parliament reviews its decision.

"I consider the Soviet Union a country where development is in progress and democratic processes are going on, though at a slower pace," President Zhelev told a news conference today. The Bulgarian side has shown a willingness for contacts, according to him. "I suppose that conservative circles in the USSR took an unfavourable view of the new Bulgarian state leadership."

"I am an adherent to liberal democracy," President Zhelev said, "but my membership in the Liberal Democracy Club does not mean that I set greater store by this particular group in the Union of Democratic Forces (SDS). For me, the success of the democratic process depends on the unity of all democratic forces, of the opposition," President Zhelev added. This does not mean that it is probable or necessary for the SDS to run in the elections on a single ballot-paper. According to President Zhelev, there will be realignments of the political forces. He expects new coalitions to appear. President Zhelev believes that after the elections the Bulgarian Socialist (ex-Communist) Party will split up just as the SDS is doing now.

Answering a question, the president said that he has quite a few objections to the new Constitution. However, he disagreed with the description of the new basic law as "communist."

Asked by the BTA whether civil peace has been in danger during his term in office, President Zhelev said that there have been occasions when civil peace might have been endangered. He added that non-parliamentary activity is something normal. What is not normal is for this activity to violate the law of the land.

If the Bulgarian Socialist Party wins the elections, the country will enter upon a phase of political instability, according to the president. He believes that tensions will be higher and political instability will be the dominant characteristic of this country.

Reviews Foreign Policy Changes

AU0908202891 Sofia BTA in English 1945 GMT 9 Aug 91

[Text] Sofia, August 9 (BTA)—Bulgaria has entirely changed its foreign political orientation, President Zhelyu Zhelev told a news conference occasioned by his first anniversary as president. Before the country just did not have a foreign policy of its own, it was a function of the policy of another state, he said. In his opinion Bulgaria has not made any political blunders since he took office. Bulgaria's assessment of the Gulf crisis was correct and rapid on the whole, the country's reaction to the events in the Baltics and Yugoslavia was also correct.

He dwelt in detail on the change in Bulgaria's foreign political orientation which is now directed to the European structures, the contacts with the European Community, NATO, the Council of Europe, the CSCE process.

President Zhelev said that the country's relations with the United States have advanced most. He highly evaluated Bulgaria's ties with France, Germany (which he is going to visit this fall), Great Britain, Italy, Austria.

We are trying to build up a new type of relations with Poland, Hungary and Czechoslovakia, he pointed out.

President Zhelev paid special attention to the Soviet Union. According to him Bulgaria and the USSR will sign a treaty as equal partners. In most probability treaties will be signed with separate Soviet republics, too. He mentioned Russia, the Ukraine, Kazakhstan.

In my opinion the Soviet Union is a country which is advancing, though slowly and painfully, along the road to democracy, President Zhelev said in response to a question. He recalled that the Bulgarian side has always tried to maintain contacts with the Soviet Union, it has always sought them. I suppose some conservative forces did not like the democratic processes in our country and maybe they are a bit hostile towards Bulgaria's new state leadership, Dr. Zhelev said. I suppose that the question really is about some conservative circles, he repeated. Replying to a question if he would visit the Soviet Union, Dr. Zhelev said that he has been always willing to do so.

President Zhelev pointed out that Bulgaria's relations with Greece are very good. We wish to further improve our relations with Turkey, he said. Our good relations with Greece and Turkey are of paramount importance for the stability in the Balkans, Dr. Zhelev stressed.

Dr Zhelev is utterly displeased with the ceremony held in Blagoevgrad (Pirin Macedonia) to mark the anniversary of the Ilinden-Preobrazhenie Uprising at the beginning of August. He defined as primitive the "Bulgaria from Okhrid to the Black Sea and from the Danube to the Aegean" statement made by the leader of the Internal Macedonian Revolutionary Organization-Union of

Macedonian Societies, Mr. Dimitur Gotsev. In connection with Macedonia, President Zhelev said that Bulgaria can recognize its right to self-determination, including its becoming a sovereign state, as it recognizes the same right of the other republics within the framework of Yugoslavia. But we have no right, the president stressed, to impose on those people what they should call themselves and what their self-identification should be, in the same way we do not want to have somebody defining from the outside our own self-awareness as Bulgarians.

"Yes, on the whole," President Zhelev replied to the question whether there would be a consensus between the political forces in Bulgaria if the processes in Yugoslavia go on and spread to Macedonia.

Zhelev Briefed on Moscow Summit Results

AU0908173691 Sofia BTA in English 1653 GMT 9 Aug 91

[Text] Sofia, August 9 (BTA)—Today President of the Republic Dr. Zhelyu Zhelev received Mr. Viktor Sharapov, Soviet ambassador to Bulgaria, at the request of the latter.

The Soviet ambassador informed the Bulgarian head of state about the results of the Bush-Gorbachev summit in Moscow.

The two sides discussed some problems of the situation in Bulgaria and the Soviet Union and the development of the new relations between the two countries. Special attention was paid to the situation in the Balkans within the context of the developments in Yugoslavia.

Dr. Zhelev handed the text of his message to Russia's President Boris Yeltsin concerning the prospects of Bulgarian-Russian relations. The message itself will be delivered to President Yeltsin by the Bulgarian ambassador in Moscow in few days.

Popov Concerned Over Electoral Legislation Delay

AU1008161991 Sofia BTA in English 1550 GMT 10 Aug 91

[Text] Sofia, August 10 (BTA)—Yesterday the Bulgarian head of state, Dr. Zhelyu Zhelev, told journalists that there are no objective obstacles to the holding of the parliamentary and local elections on September 29, 1991. He did not rule out the possibility of their being rescheduled for October 12, the deadline according to the Constitution.

A letter by Prime Minister Dimitur Popov was read in parliament today. It expresses concern over the fact that the legislation necessary for holding the elections has not been passed yet. This is placing the government in a difficult situation as regards the preparation of the elections.

Mr. Dimitur Popov stressed that this situation poses many risks of mistakes and failures, "and this would cast doubt over the normal holding of the elections and the legitimacy of their results," the prime minister pointed out.

The letter lists the normative documents which have to be passed by parliament and published by the president so that the elections can take place within the fixed term.

No Decision Made

AU1008173891 Sofia BTA in English 1643 GMT 10 Aug 91

[Text] Sofia, August 10 (BTA)—Fifty days remain till September 29, the date fixed for holding the new parliamentary and local elections. But today too parliament did not complete its work on the elections law. The debates made but slow progress, abounding in wrangles, including on the issue of the right of the Bulgarians living abroad to vote which has recently excited the public. The proposal to re-vote the text which stipulates that the Bulgarians living abroad can vote only in Bulgaria was rejected.

So far the MP's have voted 55 of the total of 90 articles of the elections law.

A letter by Prime Minister Dimitur Popov was read in parliament. It expresses the concern of the government over the delay in the passing of the normative documents necessary for holding the elections.

The branches of the Podkrepa Labour Confederation in the Pirin region have declared a strike alert. The protest is directed against the proposal of the independent MP Mr. Vulkanov to remove from the new labour code draft the texts sanctioning the interference of the trade unions in cases of violations of the law on the part of executives.

The Bulgarian Social Democratic Party opened a two-day session. It will discuss the elections platform of the party. The elections motto of the Social Democrats is "Let's Save Bulgaria."

A one-year French college will be opened this autumn at the teachers' institute in the town of Stanke Dimitrov (south-western Bulgaria). Apart from French language classes the curriculum also includes lectures in French geography and history, French literature, art, etc.

Poll Shows SDS Leading BSP in Popularity

AU1008192991 Sofia BTA in English 1842 GMT 10 Aug 91

[Text] Sofia, August 10 (BTA)—The latest sociological survey has shown that the opposition Union of Democratic Forces (SDS) would win more votes in the forthcoming elections if it runs on more than one ticket. Tonight "Panorama," the political round-up programme of the national TV, announced the results of a survey of the Democracy Research Centre. They show that the

SDS has a 3 per cent lead over the Socialist Party [BSP]. 35.4 per cent of the 1,350 respondents from all parts of the country said they would vote for the BSP.

In the same programme representatives of the leaderships of the SDS-National Movement and the newly formed SDS-Liberals made it clear that they would run on independent tickets in the forthcoming general and local elections.

The same survey showed that if the Socialist Party splits into "radicals" and "hard-liners" before the elections this would lead to a drop in the electorate of that party.

According to the survey President Zhelyu Zhelev, Mr. Ginyu Ganev, deputy chairman of the National Assembly, and Sofia's Mayor Aleksandur Karakachanov, leader of the Green Party, are the most popular politicians.

The survey also showed that 6 per cent of the respondents have read the new Constitution. Half of the respondents have no idea of the new Constitution.

Dimitrov, Lilov Clash in National TV Debate

AU0908200091 Sofia BTA in English 1931 GMT 9 Aug 91

[Text] Sofia, August 9 (BTA)—The war against the Union of Democratic Forces (SDS) and the economic reform implemented by the representatives of SDS in the cabinet is a war against Bulgaria, Mr. Filip Dimitrov, leader of the SDS, told Mr. Aleksandur Lilov, leader of the Socialists (formerly Communists) in a television dispute aired this evening in the national television's peak time. In reply Mr. Lilov called for a civilized tone during the dispute.

The Bulgarian Socialist Party (BSP) will seek to form a coalition government after the elections too, but it is perfectly capable of administering the country by itself, BSP leader Lilov said. The SDS has always been sceptical about any coalition with the BSP, but it made a concession, guided by its sense of responsibility, Mr. Dimitrov said. He underlined, however, that the efforts of the government's economic team are hampered by the socialist majority in parliament. The SDS is ready to administer the country after the elections together with other democratic forces, Mr. Dimitrov stated.

The occasion prompting the dispute was the striking similarity between last year's election platform of the SDS and this year's election platform of BSP. Mr. Aleksandur Lilov rejected the possibility of his party's having borrowed some ideas from the SDS. Mr. Filip Dimitrov did not miss to remind his opinion that there is nothing to substantiate the slogans raised by the BSP, that they are demagogic. He focussed attention on the fear of changes instilled by communist propaganda, on what he defined as constant and dangerous suggestions that civil conflicts may break out in the country.

The interest in the dispute was great, but mostly on the part of journalists, as it seems. The results of an enquiry held with TV viewers, which went on air before the dispute, show that people here do not expect anything special or new. "The BSP is having its own way," an elderly woman said. The respondents appeared tired of high-running political feelings. A man said that there is no need of any political parties.

BSDP Rejects BSP Affiliation Attempts

AU1108191891 Sofia BTA in English 1831 GMT 11 Aug 91

["Social Democrats Counter-Attack in All Directions"—BTA headline]

[Text] Sofia, August 11 (BTA)—The Bulgarian Social Democratic Party is against communism, Eastern socialism and all other forms of totalitarianism, authoritarianism and extremism, it is said in a special declaration of the National Committee of the Bulgarian Social Democratic Party (BSDP) "in connection with the attempts of the BCP/BSP [Bulgarian Communist Party/Bulgarian Socialist Party] to affiliate itself to the cause of the Social Democrats." The National Committee of the BSDP once again states that the party is against all kinds of conciliation with the BCP/BSP, the declaration stresses.

At the press conference held here today after the completion of the two-day session of the National Committee of the BSDP, Dr. Petur Dertliev, the leader of the party, called an illusion the prognostication recently made by the BSP leader Mr. Aleksandur Lilov that the two parties will eventually unite in the future. The only possible form of "unification" is the entering of those present members of the BSP who profess social democratic ideas but have been deceived by the BSP into the ranks of the Social Democratic Party, according to Dr. Petur Dertliev.

The political resolution adopted by the leadership of the Social Democrats and made public at the press conference criticizes the "adverse tendencies and authoritarian style in the interrelations" imposed on the National Coordinating Council of the Union of Democratic Forces (SDS) by the former allies of the BSDP which removed it from the National Coordinating Council of the SDS. The National Committee of the BSDP assesses the attempt to actually destroy the party as direct assistance for the survival of the BCP/BSP and its social democratic mimicry, it is said in the resolution. And Dr. Dertliev spoke of a "degeneration of some sectors of the SDS," remarking that "Hitler would have gladly joined some of the 'dark blue' organizations claiming to be a part of the united opposition."

According to the resolution, the sole result of the economic reform launched by the coalitional government is "the further accumulation of wealth by the communist nomenklatura and its black-marketeering mafia." The government is acting sporadically, without a plan, and the reform is slipping and threatening economic life in this country with utter collapse.

The Social Democrats will run in the elections with their "own physiognomy" and on a light blue ticket. The BSDP is the basis of the SDS-Centre, it approves the Political Consultative Council of the SDS coalition and calls the SDS-National Movement to show tolerance in the election campaign in the name of the common goal—the removal of the BSP from power. The Social Democrats are open to cooperation with all organizations sharing the values of the SDS-Centre. The district organizations have been granted the prerogatives for concluding election campaign coalitions but the agreements themselves will be approved by the National Committee.

The numerous questions as to with whom the BSDP will cooperate in the elections did not receive concrete answers because the process of differentiation within the opposition is continuing and it is still unclear "who's who," according to Dr. Petur Dertliev. But the BSDP has some reservations as regards possible cooperation with the Bulgarian Agrarian Party (United), as well as with parties and organizations which have taken part in the government of the country under one form or another in the past 45 years.

'Preobrazhenie' Forum To Participate in Elections

AU1108161091 Sofia DUMA in Bulgarian 7 Aug 91 p 1

[DUMA report]

[Text] Even a donkey, if it was to cast a vote at the elections, would choose the blue [Union of Democratic Forces] ballot paper, declared Professor Siyka Georgieva, an economist and chairman of the "Preobrazhenie" [transfiguration] Political Forum, at a news conference held on 6 August.

The forum was formed last May as a right-of-center extraparliamentary opposition party. At the moment it has about 6,000 members but, as stressed at the news conference, it sets more store by the quality of its members.

At the next elections the forum will aim toward a coalition with the Union of Democratic Forces [SDS]; if the SDS does not want them, it will align itself with the Bulgarian National Agrarian Union-United, but in no event will it move toward the Bulgarian Socialist Party.

Green Party Groups Demand National Conference

AU1008163691 Sofia DEMOKRATSIYA in Bulgarian 5 Aug 91 p 1

[Petur Milanov report]

[Text] At the initiative of the Green Party-Plovdiv, a working meeting of municipal Green Party organizations from various regions of the country was held on Saturday, 3 August in Plovdiv.

Following a constructive discussion, the meeting adopted a declaration to the Green Party National Council and the mass media that describes the formation of the Union of Democratic Forces-Liberals [SDS-Liberals] at the initiative of the Green Party leadership as a "gross political machination." The declaration accuses the party leadership of rudely ignoring the view of the municipal organizations and of attempting to split the opposition. It demands that the central leadership convene an extraordinary national conference on 19 August, otherwise the participants in the meeting will call one themselves in Plovdiv on 24 August, under Article 14 of the Green Party Statute, with a quota of one delegate for every 15 regular members of each municipal organization.

The meeting also established an initiative committee for convening the extraordinary Green Party national conference. This committee sent an application to the SDS National Coordinating Council requesting it be granted observer status. This application will probably be considered by the council at its meeting today. The next working meeting to prepare for the extraordinary conference of the "Greens" will take place in Plovdiv at 1030 next Saturday, 10 August. The telephone number for inquiries is 032-23-91-55.

Civic Initiative Movement Protest Against BSP

AU1008164191 Sofia DEMOKRATSIYA in Bulgarian 5 Aug 91 p 1

[Text] The Civic Initiative Movement [DGI] will seek a ban on registration of the Bulgarian Socialist Party [BSP], unless the Socialists renounce their property before 25 August. This decision was adopted by the DGI National Coordinating Council at a conference held on Saturday, 3 August, in which representatives of 67 of the movement's town organizations took part. The conference adopted a report by Mr. Lyubomir Sobadzhiev on the movement's political line and the main tasks in the election campaign.

Before 10 August, the DGI will put forward its candidates for the combined election list of the Union of

Democratic Forces. The movement's municipal coordinating councils are drafting their own election campaign programs for the various regions.

The conference condemned the decision of the Parliamentary Radio and Television Commission as a restriction of freedom of speech and called upon all its members and supporters to organize an action in support of the journalists working in radio, television, and the central newspapers.

Journalists Union Warns of 'Total Censorship'

AU0908203891 Sofia BTA in English 1958 GMT 9 Aug 91

[Text] Sofia, August 9 (BTA)—With elections coming, an alarming tendency is observed—total censorship is being imposed on the mass media, the Podkrepa Union of Journalists stated. A certain party here believes that the freedom of speech and the journalists' civic position are embarrassing and jeopardize its interests, that is why it is trying to stop their mouths by all means.

Klaus Views Economic Progress, Transformation

AU1208090391 Prague RESPEKT No. 29 in Czech 22-28 Jul 91 pp 5, 6

[Interview with CSFR Minister of Finance Vaclav Klaus by Jan Machacek and Ivan Lamper; place and date not given: "I Get Angry, I Will Explain"]

[Text] [RESPEKT] What in your opinion poses the greatest threat to the transformation of the economy at present?

[Klaus] There are many things that pose a threat to it, and it is almost impossible to say which one of them tops the list. If we wanted to reply in a general way, it would undeniably be the growing loss of consensus in this country. This loss can be seen vertically and horizontally, territorially, socially, politically, generationally, and so forth. It is hard to say what poses the greatest danger from the viewpoint of the economic transformation. Nothing is dangerous in itself. We are divided by the heritage of the previous regime, by the inability to come to terms with regained freedom, by freedom without a unifying idea and a unifying principle. The fragmentation of views and interests is evident.

[RESPEKT] Do you see any possible unifying principle yourself?

[Klaus] From time to time I paraphrase [the Spanish philosopher] Ortega y Gasset and his famous book "El Tema de Nuestro Tiempo" [The Task of Our Times]—there is but one possible task, and all other tasks are derived from it: the unifying principle, the fundamental ideology in the broad and nonpolitical sense of the word. Unfortunately, there are no easy solutions, no fast-learning courses that would allow us to find such a thing. It is a job for the whole generation.

Let Us Not Turn Privatization Into a Political Issue

[RESPEKT] Geoffrey Sachs and some American economists have reportedly voiced the fear that the transformation of the economy in Eastern and Central Europe may end in the South American model, with power being seized by narrow groups with a strong economic background and with hidden links within the ruling circles.

[Klaus] I do not think that Geoffrey Sachs, whom I happen to know very well, said anything like that. It is precisely the comparisons with results in Latin American against which both of us altercate. He is warning against something else—against the delay of privatization that is evident in various countries (he does not have just Czechoslovakia in mind). The period between 17 November [1989 revolution] and today is shorter than in any other country that has launched a radical reform. Sachs sees a danger in that, when privatization is delayed, scope is created for the assertion of the most varied interests of social, political, and other groups. Privatization becomes purely a subject of politicking, a subject of political haggling, and its pace is then slowed down even more. If we do not succeed in accomplishing the maximum in good time, the privatization issue will become a question of political passions.

[RESPEKT] [Czech Privatization] Minister Jezek has already twice proposed that the start of the coupon method of privatization be delayed by two months. What in your opinion would be the political and economic consequences of such a delay?

[Klaus] Every delay is a mistake. We discussed this issue seriously at the last meeting of the Financial Council in Bratislava on 24 June, in Minister Jezek's presence. All participants in the Financial Council meeting rejected the idea of any delay. No high-level meeting of a comparable body that could make decisions of this type has been held since then. A possible collision with the election period would be unpleasant. We have figured out that the first wave of privatization making use of the investment coupons might be completed by the time of the elections. A delay would be inappropriate in that it would disrupt and complicate the elections.

[RESPEKT] In this context, the question arises of foreign capital entering an environment that is not privatized. Had privatization been delayed, there would surely have been a strong tendency to establish a greater number of joint ventures with state enterprises.

[Klaus] My opinion is completely clear and differs fundamentally from those who do not call for privatization but for entry by foreign capital. This attitude is manifested in an exemplary way by the Government of the Czech Republic and its Ministry of Industry. I repeat over and over again. We do not want foreign capital to enter pseudo-state enterprises. On the other hand, we have been saying from the very beginning that we cannot afford to dismiss exceptional offers. That is why there was no reason to block Volkswagen's tie-up with Skoda, even though it contradicted the basic principle. That was an individual case, however. We are now under pressure from various quarters to make this the quintessence of a further course of action, which is unacceptable. Privatization has priority.

[RESPEKT] Most economic indicators, and the method of their analysis, are outdated. This is true, for example, of the so-called basket of consumer goods used for measuring the price index and the rate of inflation. Is the system of economic statistical indicators even able to tell us anything about the state of the economy? How serious is this problem, in your opinion?

[Klaus] If I now had time for a lengthy economic treatise, this would be the topic I would choose. The selection of statistical data and the method of their interpretation are a tragic misunderstanding, in my opinion. I can already hear left-wing critics say that the government is beginning to call into question its own statistics. True, these really are government statistics, but in the same way that we are unable to privatize the economy overnight, we are also unable to change the keeping of statistical records

overnight. The reasons for this are legion. Many economic activities take place outside the standard economic reports. For example, I live in Prosek, a neighborhood [of Prague] where all surrounding shops have been privatized. For three months my family has not done any shopping in a state-owned shop. As a result, my retail trade turnover is not included in the so-called retail trade turnover indicator. That is a fatal mistake.

The first thing is the problem of quantity. The second is a problem of quality. Many wheels were running idle in this economy. We were all familiar with production for the sake of production. We all knew about the absurd percentage of ton-kilometers passing through our railroad transport system, about goods being artificially shunted here and there with minimum effect.

When some pseudo-activities come to a halt, everyone starts screaming that these are tragic losses, that these were valuable activities. We used to create artificial demand. Now we have abruptly stopped creating such demand. Sales and production have weakened as a result, and we are being criticized.

I Get Angry in Western Europe

[RESPEKT] What do you think about the fact that most quotas imposed on Czechoslovak goods exported to Western markets have not been abolished? How do you assess the foreign trips of Czechoslovak representatives in this regard? After the collapse of the Eastern markets, the West has not yet extended to us a helping hand. Do you think that anything will change in this regard?

[Klaus] These are two questions, between which there is no direct correlation. The idea that every trip will result in the abolition of one quota is illusory. How are we to assess the effectiveness of Czechoslovak politicians' trips abroad? Trips create long-term scope, and only some of them result in the signing of some short-term specific agreement.

We are engaged in a desperate struggle against time. Since the beginning of the year, I have been abroad 16 times, and most of these trips did not exceed 12 to 16 hours. You spend 16 hours flying somewhere, then you give a 2-hour lecture, and fly back. It is an enormous physical burden. Nonetheless, I feel that we are not continuing to travel abroad as much as the Poles and the Hungarians. We have a desperate shortage of politicians who are capable of speaking freely in several world languages, without interpreters. It is always the same three or four people. The others are not of much help in this regard. Every day I turn down many offers from anywhere from Tokyo to San Francisco.

As for the quota situation, I am rather skeptical. I have the feeling that rhetoric continues to prevail over reality in Western society. Apart from that, there is a really big gap between what the state does and what the enterprise sector does, between what the president, prime minister, and foreign minister say and what the trade, finance, and economy ministers say. The former are opening up their economies, the latter insist on tariffs and quotas. I come across this every day. I get angry when I hear in Western Europe that they do not want to raise our textiles quota, for example. We have figured out that our textile exports to Western Europe equal about one-hundredth of one percent of their consumption. A tenfold increase in this quota will make no difference to them but will make a big difference to us. I get angry, I explain, but it is difficult, very difficult.

[RESPEKT] What are the further expected developments in the area of price liberalization, and how will wage regulation evolve in this connection?

[Klaus] As for price liberalization: We have statistical data from 1989, but we still have not availed ourselves of data for 1990. We have information that 85 percent of all prices were liberalized as of 1 January [1991] and another 5 percent as of 1 June. The regulation of another 5 percent of prices should end by 1 October. Our timetable in this regard is clear, and we are keeping to it. I am ready to argue [about the sensibility of price regulation] because we do not have any statistical data that would show whether the sale of products whose prices are regulated has increased compared with the past.

As for wage regulation: We were afraid of a wage explosion that would fuel inflation (as a matter of fact, I think that this danger still has not been warded off), but we have always regarded a restrictive macroeconomic policy, that is, the so-called fundamentals, rather than directive control such as wage ceilings, to be the main instrument [for fighting inflation]. We now want to start peeling off individual economic sectors from this regulation. We will start with private businesses and joint ventures.

[RESPEKT] The enterprises make no use of the permitted limits for the development of wages.

[Klaus] This is due to the effect of the restrictive policy. Only 15 percent of enterprises have touched upon the limit, which indicates a justification of this policy.

[RESPEKT] Do you think that the 5,000-koruna limit on the amount of foreign exchange our citizens may purchase [annually] will still make sense next year?

[Klaus] I am convinced that there will be some kind of a limit. We started with 2,000 korunas and then raised the sum to 5,000 korunas. It is clear that the amount will be higher than it is now, but for the time being, I am not in a position to tell you exactly how much it will be.

[RESPEKT] Formidable sums have been allocated from the budget surplus to health care and other purposes. Will this not cause inflation?

[Klaus] I am naturally nervous; we are counting and are trying to estimate. The development of the mass of profits and the profit tax proceeds are key figures for us. It is difficult to predict their development. The last budget figures we have are for May, and the last analyses

of enterprise budgets are for April. We are anxious to find out about the development of enterprise profits since April. There is a risk but, nonetheless, we tried what we could.

The Market Does Not Want It That Way

[RESPEKT] Company profits in the branches of heavy industry have increased drastically since the [introduction of price liberalization at the] beginning of the year, and profits in the food industry have even increased as much as 533 percent. Do you not have the feeling that power is being gained by those economic forces where it is least desirable?

[Klaus] Our ideological adversaries assume that they know very well where profits should grow and where not. A liberal economist does not share this view. The market itself must show where profits will grow. I know what some people have in mind—that it would be better for us if profits were rising in the electronics industry, rather than in metallurgy. That, too, is a profound error. It is obvious that, from the macroeconomic viewpoint, we would prefer it if profits were rising in manufacturing branches with inputs that are not cost-intensive and need not be imported. But it does not follow from this at all that the market wants it that way and that we have some comparative advantages in electronics, for example, that all our forecasters have been dreaming about. We do not have them.

[RESPEKT] Have you changed your opinion on the problem of insolvency? Some politicians fear that the Union of Industry is preparing some frontal attack.

[Klaus] I really do not know how powerful the Union of Industry is. I always repeat that insolvency is not a phenomenon that economists and bankers do not know. It is only the public, a large part of it, that has now suddenly discovered this problem. It is a problem, and it will worry us for quite a while. There is only one solution to it: Enterprises must behave as sound economists and not extend to each other illegal commercial credits so that unpaid bills or delayed payments can be converted to standard bank promissory notes that will easily compel enterprises to pay. That is, what we need is a change in the system. The state certainly will not put 70 billion korunas anywhere to abolish the development of insolvency for a while.

[RESPEKT] You are supposedly against raising rents in state-owned apartments.

[Klaus] No. No reasonable economist could possibly oppose the freeing of rents and the establishment of balance on the apartment market. What I conduct polemics against is something else. I am all in favor of introducing everything tomorrow, but I believe that there should be a certain lapse of time between the [May 1991] increase in energy and heat prices and the increase in rents, so that people can adapt in some way to the first step. This has nothing to do with a political concession. The other thing is that this [second] step should be taken only after a very narrow but necessary compensation has been clarified for the small group of people who would definitely be unable to pay the higher rent.

I am explaining to everyone that it is false to see a state apartment as the apartment of a prominent politician. That is a simplified view. There are also old grandmas in state apartments, those, for example, whose house had been torn down.

As regards the owners of cooperative apartments (I have a cooperative apartment myself), I would like to tell them that it would be good if they demanded with equal urgency [to that with which they demand higher rents in state-owned apartments] from the state the immediate abolition of the absurdly low 1-percent rate of interest at which housing cooperatives receive credits in our banking system, the end to state subsidies for housing cooperatives, and the introduction of a normal 20 percent rate of interest on their long-term credits, instead of the 1 percent rate of interest. One might also consider introducing a limit of 12 years for the repayment of these credits, instead of their incredible 40-year maturity.

Hungary, Poland, Czechoslovakia

[RESPEKT] You are known as an opponent of cooperation with Poland and Hungary. Could you say something about that?

[Klaus] First of all, I would be very glad if someone read my extensive interview for RZECZPOSPOLITA of 19 June, in which I set a number of things right. I think that the campaign concerning the opening of the Polish border was an artificial one, initiated by my enemies. It was an artificially and insidiously escalated matter related to the conflict within the Civic Forum, a part of the conflict with the Liberal Club and the Civic Movement, making use of their Polish friends.

Secondly: Sometimes I am annoyed by the way our Polish colleagues attack Czechoslovak reform. They felt that they were trailblazers because they started earlier. Now they are very nervous because things are moving more quickly in our country. They are losing time and are becoming entangled in all sorts of things, and the world notices this. The Poles often talk about how far behind Czechoslovakia is, about how halfhearted price liberalization is, and so on. That annoys me. I would never say such things about Poland or Hungary. The most I say is that things are happening more quickly in Czechoslovakia. This is an advertisement within the rules of the game. It would be an unreasonable advertisement if I were to say that things are bad in the other country.

A meeting involving the finance ministers of Germany, Austria, Poland, Switzerland, Hungary, and Czechoslovakia took place on 21 July. We agreed with Mr. Balcerowicz and Mr. Kupa that we very much need a mutual flow of information. Based on my initiative, a meeting involving the three of us will be held in Prague on 2 August.

[RESPEKT] Do you have any thoughts about the future of the Central European region?

[Klaus] Of course, we have a number of contacts with colleagues in these countries and with parties with the same orientation. However, I have the feeling that we do not have a strong, clear partner who would play the sort of role in these countries that we are playing in our country. We are still looking. For example, we held negotiations with the Hungarian Free Democrats. Admittedly, they are people oriented toward the right in Hungary, but in our country they would not be too far to the right, especially in the economic sphere. They belong more to the world of perestroyka.

Last week we had an important meeting with European liberals in the Palais Palffy. There were several Hungarians and Poles there. Such contacts simply exist.

[RESPEKT] In America you criticized the writing off of Poland's debts and compared this with the negligible assistance for Czechoslovakia. Many economists claim that the transformation of Poland's economy would not get off the ground at all without its debts being written off.

[Klaus] I am convinced that financial assistance and writing off debts have never helped anyone in the world, and I have no idea why Poland should be the exception. In my opinion, this is a terribly bad signal to send to other countries in debt. Why should things not be made easier for them too? There are many countries in an infinitely worse situation: In Africa, Latin America, and so on. I think this step was very untypical of the international financial community. I can assure you that world banking and financial circles are absolutely appalled. This is, to my knowledge, something that has never happened before. Debts were only written off every so often for the world's three poorest countries.

[RESPEKT] As finance minister, you tighten the screws, but as a politician, you must also think about the elections. How do you come to terms with the dangers of populism and concessions?

[Klaus] I think it is possible to criticize me for many things, but I have never been labelled a populist. It seems to me that I say what I think too loudly. Reform has required permanent political support since December 1989. I have played a political role every day since that time. The fact that—at a certain moment—this converted itself into a clear political grouping is rather a relief for me. I went through an equal number of meetings and defenses [of my policies] even before I became party chairman.

[RESPEKT] However, the most difficult period still awaits you.

[Klaus] Certainly, but I experienced an equally difficult period during last year's elections. At that time, there were great struggles concerning the scenario for economic reform and concerning the abolition of subsidies for retail food prices. During this same period, I attended dozens of public meetings in North Moravia. I think it will be a problematic period, but I would not say that it will be qualitatively different.

[RESPEKT] How did you come to sign the transfer of National Front property to the Assembly of Political Parties?

[Klaus] The situation last year regarding the National Front's successor organizations was muddled. We were satisfied that this Assembly had been accepted as the successor organization.

[RESPEKT] The entire affair is being reviewed by a commission in your ministry. Are you informed about its work?

[Klaus] I am. Last week the government discussed material relating to Communist Party of Czechoslovakia property, and this week it discussed Socialist Youth Union property. I am not able to reply without the background materials. We are not talking about a commission exclusively from our ministry. Deputies, control ministry representatives, and others are involved.

Calfa on Current Federal, Republican Issues

AU0908133391 Bratislava NARODNA OBRODA in Slovak 7 Aug 91 p 9

[Interview with Federal Prime Minister Marian Calfa by Branislav Janik; place and date not given: "A Rational Viewpoint Is Missing"]

[Text] [Janik] Criticism of your cabinet is not a rarity these days. I recently read an article by your former subordinate, ex-Interior Minister Sacher, in which he lambasted the Federal Government for being far too sure of its position.

[Calfa] Contrary to Deputy Sacher, I am convinced that no government can be sure of its position. We are responsible to the Assembly and the president, and they can deprive every single one of us of this imaginary certainty. I perceive such statements as a political game played by the opposition. I am convinced that we are communicating sufficiently with society. I hardly need mention the numerous interviews government members give to the mass media, to say nothing of its communication with the Assembly. The Federal Assembly was in session constantly, and government representatives were always at its disposal. Last fall, many people criticized the government for not doing anything; apparently, everything was as it had been in the past. Today, practically seven months after the introduction of reform, we are again a target of criticism on account of the negative impact of the changes. However, this cannot be avoided, and no one from the opposition would avoid it either, if he were in my position. The fact is, the opposition is collecting points for the preelection campaign.

[Janik] What is your view of the current Czechoslovak political scene? How do you evaluate the position of the Public Against Violence [VPN] movement, a movement you campaigned for a year ago?

[Calfa] Evaluating the current political scene is indeed extraordinarily difficult, even for experienced political scientists, let alone for me. It seems to me to be slightly chaotic, just as people's way of thinking is chaotic. After all, virtually all of us are searching for a new basis for our existence, for new certainties, for a new system of relations, and for a new set of values. Everything is in a state of dynamic flux. Although we think so, Czechoslovakia does not, in fact, have a tradition of a stable and classical political scene. Today a lot is said about the First Republic. It really did symbolize a great deal, but did it not also have its political scandals, affairs, and politicking? Otherwise, I am not at all surprised by this chaos in politics. It is necessary to work for centuries to achieve a real democracy; take the Islandic or British parliaments, for example. As far as the VPN movement is concerned, during the well known events associated with Mr. Meciar, its popularity in March-April was indeed at a low level. However, passions have cooled. I think issues are being considered more rationally, and we are also recording a certain increase in the VPN's popularity.

[Janik] It seems to me that you were a little pessimistic about democracy in our country or, rather, about its manifestations in politics. Do you think that, after the next elections, things will change in our state's political culture?

[Calfa] I am personally convinced they will not. After all, we are currently witnessing how individual movements are grouping themselves. Future preelection blocs, movements, and unions are being established.... An example of this may be the developing right-wing bloc; undoubtedly, a bloc involving left-wing forces will also be formed. These groupings will go into the elections together, but splits and separations with all that they entail—as we have just experienced—will again take place after them. At the moment, personal interest, and not social interest, is winning.

[Janik] Who, in fact, is politically immature? Are we, or are you, the politicians?

[Calfa] Let us not divide ourselves into us and you. We are all politically immature.

[Janik] Let us move on to the economy. Its results for the first six months of the year are not a cause for great celebration. Forecasters from Mr. Komarek's circle are predicting a recession for next year.

[Calfa] I hope and I believe. No one expected that we would be better off quickly. No one ever promised this. On the contrary, we pointed out many times that it would be difficult at the beginning. Today people travel around, make comparisons, and see what our neighbors across our western borders have achieved. We will not achieve this status without utilizing the same economic methods. We are returning to something that was developed centuries ago and that functions normally today—to market mechanisms. However, their introduction is extraordinarily difficult. For example, in practice this means completely different certainties for people, as well as completely different uncertainties. I recently held talks with South Korean economic experts. They made it clear that, according to their experience, one generation does something to make sure that the next one is better off. Today people are perfectly justified in talking about a Korean economic miracle.... I could talk about what is most important from the economic point of view, I could say that budget restrictions could be relieved slightly, that development impulses could be introduced into the economy, that turnover tax could be further reduced, and so on. However, the economic ministers and experts talk about these things. In my opinion, these seven months will determine whether we are succeeding—and will continue to succeed—in getting market mechanisms into our economy and whether we manage to assert them or not. However, despite the forecasters' warnings, we are not falling into an abyss. We have moved further away from socialism toward a normal market economy.

[Janik] However, unemployment goes hand in hand with this. Today the unemployment rate is in the region of 300,000, four times higher than a year ago. At least, this is what Mr. Komarek says. Do the unemployed not interest you?

[Calfa] You know very well that this is not the case. I will not mention everything the Federal Government has done while transferring many powers to the republican governments. I want to express my own personal opinion. To date, virtually no large factory has collapsed, the industrial structures are still holding together, and structural changes are taking place slowly. However, the current structure is nonviable; we have to change it, and only then will it bring real results. Take heavy industry alone. Do you think it is feasible for a state without sufficient energy sources and raw materials? However, in our country it is as if faulty optical equipment has been used to view the unemployed. We are automatically including among them people who have never previously worked anywhere. For example, students, women who were at home with children.... Among the unemployed there are people who in fact refuse work. In the factory, they only want confirmation that they were interested in work; however, they fear it like the devil fears the crucifix. The structure of unemployment does not tell you very much. For example, the category of people virtually uninterested in work forms up to 40 percent of the unemployed in East Slovakia.

[Janik] This means that unemployment in our country is still not the effectively operating economic factor you called for six months ago?

[Calfa] No. The figure of 3.8 percent is lower (if we take into consideration the factor I mentioned), and unemployment as an economic factor only operates at 4

percent. However, not even requalification programs have gotten off the ground, and if they have somewhere, there are very few people interested in them. For example, only two or three people made use of this opportunity in the Ostrava District. It is incomprehensible, but people are still not taking the situation seriously. They contentedly draw on their five-month payment and give no thought to what will happen next.... However, in connection with unemployment, the fact that its curve is not following the production curve—which is declining more sharply—is also disturbing. People remain employed in enterprises that have no product or production. The previous fund guarantees no longer exist; no one tells enterprises how much they have to deposit in whatever fund. They would rather put their money into wages, but—on the other hand—they do not pay their suppliers and they become insolvent. This is, in fact, risky overemployment. However, all of this will come to an end. The law on bankruptcy will come into force in the fall. An enterprise that does not fulfill its obligations will find itself involved in bankruptcy proceedings and then....

[Janik] However, we are witnessing how these economic problems are becoming a shield with which certain people conceal their own incompetence and even foist—as the case may be—some sort of political reason....

[Calfa] Unfortunately, this is the case. Economic reasons are obscured by various political ones. Perhaps CEMA's collapse or the great disruption on the Soviet market have political causes? Is someone against trading with the USSR? No. It is just that trade is conducted there with great difficulty. It is clear to me that these arguments will be used and abused as the elections get closer. Strikes, roadblocks, and so on, are a very risky way of reacting. Especially since we—as, recently, in the case of the agriculturists—had already dealt with the problem beforehand and not under pressure.

[Janik] You talk about the market. Are we not—as traditionally—extremists again? This view is inspired, in particular, by the opinions of one of your cabinet ministers.

[Calfa] Well, this is—admittedly—the case in these extreme situations.... You mean Mr. Klaus?... However, I will return to the restructuring vitally necessary for the establishment of a market. We have clearly stated that it is nonsense to take away enterprises' resources and redistribute them laboriously and administratively in accordance with noneconomic criteria. Our entire philosophy is to leave the money with those who know how to make it. After all, they will make more, and we will get some of it through taxes. Of course, this has meant a reduction in the level of the state budget. Now we are under great pressure—subsidies are being demanded from us. The most recent example is a subsidy policy for agriculture. However, this involves a completely different economic philosophy and practice. We will not come closer to Austria or Germany by taking this road.

[Janik] We have already spoken about the demagogic abuse of various factors, but once again I have to say that these factors are also—undoubtedly—abused, put into various situations, misrepresented....

[Calfa] This situation is ideal for demagogy. The elections are approaching; what else would you want from many "politicians?" We know how the image of an enemy has been formed in Slovakia. It is the Federal Government (and I am no longer talking about the so-called federal Slovaks). How simple and cheap it is to have an enemy who is to blame for the fact that we are doing badly!

The changes we are asserting arouse various reactions. For example, we are abolishing all restrictions in foreign trade. Now there are calls for restrictions on imports and for the introduction of strict protectionist measures. What is this? Nothing other than protection for the domestic producers' monopoly. The structure of the budget is another paradox. Today it is 1:1.91 and not the ratio of 1:2 demanded by Slovakia. However, if this were to be achieved by means of redistribution—we would not manage it without this—Slovakia would lose 4 billion korunas! The money for structural changes is in the federal budget. This amounts to 3 billion korunas. However, few people know that 2 billion of these 3 billion korunas have gone into converting the armaments industry and that approximately 90 percent of these 2 billion korunas have gone to Slovakia.

[Janik] I want to say a couple of words about the Assembly, which is slightly ironically spoken of as something between a museum and a theater. Of course, what I mean by this is its location in Prague. Deputies have more than once criticized the government for sending immature laws to the Federal Assembly. Are they right?

[Calfa] We are getting into the preelection struggle once again. Also to the point that criticism of a certain draft law reveals more than its imperfection or immaturity, it also reveals that it does not suit the plans and considerations of the critic. His political party or movement's ideas about the given issue are different, and so he expresses them. However, at the same time, the government undoubtedly has a far greater amount of information at its disposal.

[Janik] Are the government and legislature at odds, then? Are you opponents?

[Calfa] No, this is not the case. However, I am glad that such friction has not manifested itself in the government where, so far, we have always managed to achieve a balance of interests.

[Janik] The president is vacationing on a Spanish island. The government held its last pre-recess session last week. Where are you planning to go?

[Calfa] My winter vacation did not at all live up to my expectations; I got no peace. Therefore, this time I will

vacation almost incognito. I will spend two weeks with my wife—without our children—walking in the Austrian and Swiss Alps.

[Janik] I wish you a pleasant vacation and thank you for the interview.

Civic Movement Leader Sees Threat of Polarization

LD0908202191 Prague CTK in English 1249 GMT 9 Aug 91

[Text] Prague Aug 9 (CTK)—The chairman of the Civic Movement (OH - part of the former Czech movement Civic Forum - OF), Jiri Dienstbier told journalists here today Czechoslovak society is threatened with a rightist and leftist polarisation although historically neither the right nor the left wing have been formed in the country.

Dienstbier, who is also Czechoslovak foreign minister, referred to the increasing tension in Czechoslovakia which is also caused by the escalation of the Czecho-Slovak tension. The OH describes the preservation of the Czechoslovak federation as a fundamental issue. Therefore it now considers whether or not to raise a demand for a referendum by the end of September, Dienstbier said.

The OH presidium member, Lubor Kinst, said the OH is concerned about ever more aggressive statements by Communist parties' representatives both in the Czech and the Slovak republics with the aim to set people at loggerheads (Kinst referred to Slovak Democratic Left Party, former Communists, Chairman Peter Weiss's statement who said in connection with the Gabcikovo hydroelectric project that Prague aims at keeping Slovakia dependent on energy supplies from the Czech Republic). These statements obviously "call for a breakup of our state. We have a feeling that some Slovak politicians would prefer a more significant influence and impact of the Soviet Union", Kinst said.

OH Chairman and Czechoslovak Foreign Minister Jiri Dienstbier called for a coalition of democratic forces that would guarantee the democratic functioning of the state. This should counter extremism from both sides, Dienstbier aid.

Asked whether a referendum would solve disputes over the division of powers between the federation and the Czech and Slovak republics, he said that if the will for the continued existence of a common state is shown, any speculations on gaining political capital from the power-sharing disputes will be ruled out.

In comments on the current session of the Conference on Security and Cooperation in Europe (CSCE), Dienstbier said "the Yugoslavs themselves must solve the crisis...However, all the warring sides must be made to understand that the situation in Yugoslavia is not isolated, that it is an affair of all of Europe".

He said Croatia's independence cannot be declared on the basis of the national principle as the Croatian population includes half a million Serbs. Croatia can thus declare independence only on the basis of the citizen principle.

Dienstbier told the press conference that in the negotiations on a new Czechoslovak-German treaty it is now the Germans' turn to act. Germany's final position should be clear within a few days and the treaty could be signed as soon as possible, he noted.

Meciar Criticizes VPN, Vavrousek Dam Remarks

AU0908123591 Prague CTK in English 1630 GMT 7 Aug 91

[Text] Bratislava Aug 7 (CTK)—"The present Slovak Government has lost touch with the public since it took office on April 23 and communication and trust have been eroded", the chairman of the Movement for a Democratic Slovakia (HZDS), Vladimir Meciar, charged at a press conference here today. Meciar, who is the most popular Slovak politician according to the latest public opinion poll, was Slovak premier from June 1990 to April 1991.

Meciar said that under the government social, economic and political conditions in Slovakia have deteriorated. He singled out the rise in unemployment and accused the government of Premier Jan Carnogursky (Christian Democratic Movement—KDH) of not having its own comprehensive economic policy.

The KDH and the Public Against Violence (VPN) movement, two of the four government coalition partners, are divided over the issues of Slovakia's future and the economy, Meciar said.

Meciar called the VPN "a Trojan horse on the Slovak political scene" for favoring a unitary Czechoslovak state. He said the KDH is for a confederation. This difference in views cannot be resolved, he said.

As for the second issue, Meciar said economic policy is determined not by Carnogursky, but by the chairman of the VPN Slovak Council, Jozef Kucerak.

According to Meciar, Kucerak intends to turn the VPN into a rightist party and merge it with the Civic Democratic Party (ODS), creating a nationwide right-wing political force.

Defending his visit to Bavaria while Slovak premier, he said "if the government is changed we are capable of obtaining German credits of up to 9,000 million Deutsche marks, a sum almost equal to the Slovak budget".

"Prague is trying to set Slovaks against Hungarians to provoke a conflict that would justify the use of force", HZDS Chairman Vladimir Meciar said in connection with the construction of the joint Czechoslovak-Hungarian project at Gabcikovo-Nagymaros.

The Slovak Government intends to complete the Slovak part of the project despite opposition from the local, predominantly Hungarian, inhabitants. Hungary stopped work on its part last year.

Meciar criticized the Czechoslovak minister-chairman of the Federal Committee for the Environment, Josef Vavrousek, for allegedly encroaching on the authority of Slovak bodies. Vavrousek favored a halt to the Gabcikovo project. If the project had been abandoned, "the consequences of the current Danube flooding would be more tragic than in 1965", Meciar said. Damage caused by the 1965 floods was estimated at 3,500 million crowns.

Dienstbier on Yugoslav Crisis, Economic Reform

LD0908223491 Bratislava Ceskoslovensky Rozhlas Radio Network in Slovak 1630 GMT 9 Aug 91

[Text] Because of the Prague meeting, Czechoslovak Foreign Minister Jiri Dienstbier is today one of our busiest politicians. Despite this, he has found time as chairman of the Civic Movement for the briefing of the movement in Prague. Alexandr Picha has recorded the following interview with him:

[Begin recording] [Picha] According to pragmatic views, the CSCE so far has no efficient mechanism to intervene to settle the situation in Yugoslavia. Does the Prague meeting have any chance of changing anything on this?

[Dienstbier] Of course, no one has an efficient mechanism because the situation in Yugoslavia must be solved by the nations and citizens in Yugoslavia on their own. Pressure is naturally necessary because the situation in Yugoslavia is not their own internal affair alone. In short, Europe cannot afford only to be an observer.

[Picha] The Prague session, naturally, can play a role. First, it can create the necessary pressure and, at the same time, it is offering help in the form of arranging for observer missions, and so on. Is it possible that Czechoslovakia might adopt independent economic agreements with Slovenia and Croatia as it did—in fact was the first to do—in the case of the Baltic republics?

[Dienstbier] Czechoslovakia is establishing relations not only with states, but also with various regions and republics. Moreover, our tendency is essentially quite different. Economic relations should be mainly among enterprises, and the state power should only influence and regulate this.

[Picha] Yes, in this case it has also a certain political coloring.

[Dienstbier] Yes, political coloring, but, after all, we conduct normal trade both with Yugoslavia and the republics. So there is nothing new in the economic sphere.

[Picha] Minister Klaus, your colleague in the government, confirmed recently that Alexander Dubcek has been discussing, for example in Australia, the possibilities of reformed communist third paths, while our economic policy is somewhat different. Do you also encounter similar problems of differing presentations of our reform during your foreign trips?

[Dienstbier] Well, I do encounter various interpretations, but I think that, if we have democracy, we also have different interpretations that are justified, whether we agree with them or not.

[Picha] Is there not, of course, a threat to our diplomacy, in that it acts as some kind of a schizophrenic or double mechanism that must evoke certain embarrassment abroad?

[Dienstbier] Diplomacy is state service that makes the appropriate contacts abroad—whether political, economic, cultural, or other—and in this sense, it is not in a schizophrenic position because our diplomats safeguard relations for all the members of the government and for the representatives of various political forces.

[Picha] Although foreign diplomats or even representatives of industrial circles encounter various ideas from our representives on our economic future, can this somehow complicate the conclusion of economic agreements or the acceptance of aid from abroad?

[Dienstbier] Well, I think that this, specifically, does not actually complicate things. Industrialists are interested in the conditions of enterprise in Czechoslovakia and then, on the broadest political level, in the views of individuals, whatever political positions they may hold. Above all, however, they are interested in whether or not there will be stability, whether Czechoslovakia will disintegrate, whether the struggle on our political scene is taking place in a cultured or uncultured manner—the uncultured struggle makes them suspicious that conflicts might take place which would harm enterprise or make it impossible. [end recording]

General Annus on Economic Talks With USSR

AU0908143191 Budapest NEPSZABADSAG in Hungarian 8 Aug 91 pp 1, 3

["V.P."-signed report: "Annus: We Are Waiting for an Answer"]

[Text] "Budapest is waiting for Moscow's answer, and we think that the negotiations that were broken up should be concluded as soon as possible and the open questions should be closed," Lieutenant General Antal Annus, state secretary at the Defense Ministry and Hungarian governmental commissioner, said among other things in his interview granted to NEPSZABADSAG on Tuesday, 6 August.

He used the same words again as he did during an earlier news conference: "A balance has to be drawn up before making out an account."

We first asked Annus if he believed that the Hungarian prime minister's emphatic statement on the acceptability of a zero-balance option would advance the negotiations. Annus said he was optimistic because the Soviet side would probably carefully study this statement and would react to it. Naturally, we cannot predict what the Soviet answer might be. Taking Hungarian interests into consideration, we must treat the zero-balance option—which has already emerged earlier as a possibility—constructively.

We asked Annus how the demands of the two sides could be reconciled with a possible zero-balance option (we reported on the main items of these demands in our issue on 7 August). Annus said that the Hungarian side was fair in the way it calculated the environmental damages based on a jointly-formed technology. A joint examination of these damages has not taken place yet; the grouping of damages according to their character can only be done afterward. Annus reminded us that the damages in question are various in character and in nature. The most severe part is the pollution caused in soil and water and in accumulated hazardous waste. Nearly 1 billion forints are needed only to immediately intervene and neutralize the sites that are in the most catastrophic state. We can discuss the other kinds of damage during our joint work, for example, the number of mantises or meadow anemones a square kilometer of nature reserve used to have. Looking at the damages in segments, it is worth paying attention to the internationally recognized methods of damage-limitation that were also suggested by the Soviet side. It is conceivable that the cost we indicated will be reduced by various methods of handling and various technologies. The main point is not the size of damage in forints but the elimination of the damage.

We asked Annus about the message included in the IZVESTIYA article last weekend and the Grishin interview in it. "Basically, I understood from this article that the two sides continue to differ on the methods and, mainly, the contents of the forthcoming talks and on the way the results of the work should be recorded. Therefore, we have to continue the conciliation, because we should not sit down at the negotiating table without first agreeing on the topic and the aim of the negotiations. First, we have to agree on these things and on whether we have the necessary sphere of authority, competence, and authorization. We can sit down to negotiate once we have cleared these matters, because our work will certainly be fruitful then." Annus added that in his opinion there were "false voices" in the article referring to the role of certain forces. It would be desirable, in the interest of the two countries' relations, if other forces were given a green light.

Annus expressed his conviction that an official reply was forthcoming. "We handed over our proposal to the Soviet side approximately a month ago. In his letter of 31 July, Mr. Grishin agreed to begin talks on 5 August. I imagine that studying and answering my letter of 1 August is taking up his attention just now, and that is the reason the work has not started yet. However, I trust that a reply will soon be here."

In conclusion, Annus said that the negotiations could be ended successfully in August, if the other side made an adequate political decision in the same spirit that was expressed in Prime Minister Jozsef Antall's statement.

Exports Reported To Shift Toward West

AU0908141591 Budapest NEPSZABADSAG in Hungarian 8 Aug 91 p 5

[Peter Dunai report: "Half-Year Export List—Germany Leaped Forward"]

[Text] From its former leading position, the USSR was pushed back to the third place on the list of Hungary's biggest export markets. According to Datorg's [statistical research center] data on the first six months of 1991, Germany is definitely in the lead, because it purchased goods worth 76.7 billion forints from a total export base worth 310 billion forints. The astonishingly low value of export to our neighboring countries should at least make our exporters think, however. It appears that our products have been squeezed out of our former customary markets, because the interested parties do not spend their money on our products.

Hungarian Export in First Six Months of 1991 in Billion Forints*

Country	Value
Germany	76,727
Austria	45,248
USSR	33,311
Italy	28,137
France	11,136
England	10,463

Hungarian Export in First Six Months of 1991 in Billion Forints* (Continued)

Country	Value
Eastern Europe	
CSFR	7,540
SFRY	7,408
Poland	5,269
Romania	2,075
Bulgaria	519
Albania	278

*Data by Datorg

As Datorg Department Head Piroska Majos told us, most of these amounts were paid in U.S. dollars, but some countries paid using nonconvertible currencies. In the case of the USSR, some 8,324,900 thousand forints are still accounted for in the old transferable rubles. Similarly, in the case of the CSFR, the nonconvertible part amounts to less than half the Hungarian export, namely 3,263,800 thousand forints.

The figures for 1991 are hard to compare to the figures for 1990, because statistical data processing also went through a change of system in Hungary in 1991. Ruble prices were not necessarily market-based prices until 1990, but they reflected market prices in 1991. The principle of halving transport charges, which was in force until 1990 in certain countries, also has a distorting effect. This principle meant that the delivering country and the receiving country halved the freight costs, and foreign trade statistics registered the costs this way. This principle does not apply any longer because all incoming goods are registered at the point of entry in Hungary.

The temporary problems caused by the new system of statistics do not only apply to Hungary. Germany changed over to the unified West European system of customs statistics in 1990, and Hungary introduced the same system on 1 January 1991. In this system, foreign trade statistics are based on statistical data sent by customs offices. In Austria, for example, the supply of credible statistical data was missing for six months, a Datorg member said. The CSFR is also going through a transitional period because it has already given up the old system, but it has not been able to introduce the new system yet. Within the PHARE [Economic Reconstruction Aid for Poland and Hungary] aid program, apart from the Soviet Union, all former socialist countries of Eastern Europe receive monetary aid to help modernize their processing of customs data.

Bank President Opposes Forint Devaluation

LD0908165191 Budapest MTI in English 1236 GMT 9 Aug 91

[Text] Budapest, August 9 (MTI)—Gyorgy Suranyi, president of the National Bank of Hungary (NBH), said that he did not see the need for a devaluation of the forint, despite contradictory figures in the first half of the year.

Speaking at a two-day bankers, conference in Baja, in southern Hungary, Suranyi said the country's exports showed an increase of 40 per cent in the first half of the year. NBH figures put Hungary's current account deficit at slightly more than 100 million USD for the first half of this year. While imports saw a similar increase, this included energy deliveries from the USSR, mainly natural gas, which formed payment for Hungarian construction and other projects completed earlier. Suranyi also pointed out that the import figures also included non-cash contributions to Hungarian joint ventures.

In the first half of 1991 cash foreign investment totalled 350 million USD while non-cash contributions were worth a further 200-300 million USD.

As far as making the forint convertible is concerned, this has to be done in stages, Suranyi continued. For businesses, it is already convertible. Although the general public cannot change money freely in banks, the present black market prices are close to official NBH rates, indicating that for individuals, too, the national currency is becoming more and more convertible. Capital export convertibility of the forint is not envisaged, even in the long term, he added.

To extend the convertibility of the forint still further, Suranyi said, inflation should slow down and equal conditions should be applied to both forint and foreign currency bank accounts of individuals. The NBH would like to maintain tax exemptions on foreign currency accounts and reduce or even abolish altogether the tax on forint accounts.

Socialist Leader on Grain Sales, Antall Meeting

AU1208104491 Budapest MAGYAR HIRLAP in Hungarian 9 Aug 91 p 5

["Sz.Sz."-signed report: "The MSZMP Grows Younger"]

[Text] At his news conference on 8 August, Gyula Thurmer, chairman of the Hungarian Socialist Workers' Party [MSZMP], characterized the MSZMP as an influential force in political life. He based this statement on the fact that the MSZMP's influence and popularity have grown over the past few months. This is proven by the fact that an increasing number of people accept the MSZMP as an equal negotiating partner. Moreover, many young people would like to join the MSZMP, so the MSZMP's minimum age limit might be reduced from 18 to 17 in the near future—Gyula Thurmer announced.

Naturally, increased influence goes hand in hand with increased responsibilities, and that is why Thurmer initiated meetings with President Arpad Goncz, Prime

Minister Jozsef Antall, and the Independent Smallholders' Party [FKgP]. According to Thurmer, Antall's extremely polite, formulated reply could not be seen as a final rejection. [President Goncz received Thurmer on 7 August]

Thurmer spoke briefly about the much-debated grain purchase affair. Thurmer said that the decree recently issued by Soviet President Gorbachev that stimulates the import of foodstuffs by Soviet enterprises is partly the consequence of the MSZMP's visit to Moscow. Thurmer stressed that the MSZMP was prepared to call upon its contacts for the sake of good business deals; indeed, the MSZMP has good relations with a few unnamed Western banks.

The MSZMP welcomes the visit of Pope John Paul II, and on 20 August, an MSZMP representative will be present at the pope's mass on Heroes' Square in Budapest. Nevertheless, the MSZMP thinks that the amount spent on the visit is unrealistically high.

Fur Views Relations With Romania, USSR

AU1108154391 Budapest NEPSZAVA in Hungarian 7 Aug 91 p 5

[Interview with Defense Minister Lajos Fur by correspondent Frigyes Varju; place and date not given: "This Is Not Yet the Era of Eternal Peace"]

[Excerpts] According to Lajos Fur, there are an increasing number of people in the Army who say that the arsenal modernization planned for 1994-1995 should be moved up: [passage omitted]

[Varju] Should the Hungarian Army's arsenal be modernized before the planned period of 1994-1995?

[Fur] You are right. An increasing number of people in Hungary urge us to do this, as do an increasing number of people in the Army. However, we are all aware of Hungary's economic situation, and there is no money left for this purpose. Of course, I know that if a country falls into a very serious and critical situation, nothing is more important than for the Army to defend the country's sovereignty to the very last breath. In other words, a situation could arise where all resources had to be concentrated on defense, but I think that we are very far from such a situation in our region. Naturally, there are signs indicating that we should start sooner with the modernization of our Army.

[Varju] Many people have also asked themselves why we signed the first Open Skies Treaty with Romania, of all countries, thereby carrying out the first "live" reconnaissance flight in the world?

[Fur] It may well be that the current Romanian domestic structure is not the most democratic one in our region, but you cannot say that Romania is marked by the same instability as the SFRY. On the other hand, much-debated national minority issues cause serious tensions between Hungary and Romania, so it would be a big mistake to place a military burden on our relations, which are already burdened by politics. Indeed, good military relations can counterbalance political differences, and that is why we need to continue with military cooperation in the future. That is an extremely important issue for us, particularly in relation to Romania. [passage omitted]

[Varju] We have signed bilateral military agreements with several countries. When can we sign such a treaty with the Soviet Union, at long last?

[Fur] The treaty is ready to be signed, and the deputy state secretaries of both countries have already initialed the document. However, we need the signatures of the two ministers for the document to be legally binding. Moscow has asked for the Soviet-Hungarian interstate treaty to be signed before the military agreement. Naturally, we urge them not to wait for the interstate treaty, particularly because of the curious situation that has developed—since the Soviet troop withdrawal from Hungary on 1 July (that is, more than a month ago), there have practically been no official relations between the Hungarian and the Soviet Army!

Prime Minister Dismisses NBP Vice President

LD0908205191 Warsaw PAP in English 1612 GMT 9 Aug 91

[Text] Warsaw, Aug 9—The Polish prime minister has dismissed Wojciech Prokop from his post as vice-president of the National Bank of Poland (NBP), the government press office announced on Friday.

No one at the NBP was available for comment.

Walesa Calls For Dismissal of NBP President

LD0908181891 Warsaw PAP in English 1653 GMT 9 Aug 91

[Text] [No dateline as received] Poland's President Lech Walesa on Friday submitted a motion to the speaker of the Polish Sejm (lower house), calling for the dismissal of Grzegorz Wojtowicz, president of the National Bank of Poland (NBP), and asking for him to be suspended from his duties until the Sejm votes on the motion.

The presidential chancellery announced that President Walesa had submitted his motion in response to the negligence revealed in the operations of the state-owned banks, as exemplified in the "Art-B" affair, and the lack of adequate supervision of those banking operations by the senior management of the NBP.

The president of the National Bank of Poland may be appointed and dismissed only by the Polish Parliament.

NBP President Wojtowicz Suspended

LD0908205991 Warsaw PAP in English 1950 GMT 9 Aug 91

[Text] Warsaw, Aug. 9—President of the National Bank of Poland [NBP] Grzegorz Wojtowicz was suspended in his duties Friday evening by Sejm (lower house) speaker Mikolaj Kozakiewicz.

In a letter to Wojtowicz, Kozakiewicz explained that the suspension would last until the Sejm (lower house) votes his dismissal as had been motioned for by President Lech Walesa.

Walesa Cited on Parties, Election Support

LD1208091891 Warsaw Radio Warszawa Network in Polish 0600 GMT 12 Aug 91

[Text] President Lech Walesa has told the MOSKOVSKIYE NOVOSTI [MOSCOW NEWS] weekly that in Poland there are still no Western-style political parties. He also stated that he wanted strong parties with clearly defined political profiles to appear in the next parliament, and that none of those parties have a monopoly of power. The president added that he had not decided whom he would support in the electoral campaign, stating that it could even happen that he would have to help the Left.

MOSKOVSKIYE NOVOSTI weekly holds the opinion that whatever President Walesa does [word indistinct] will decide on the results of the October parliamentary elections in Poland.

Bielecki Meets Businessmen, Hears Complaints

LD0908213791 Warsaw PAP in English 1822 GMT 9 Aug 91

[Text] Warsaw, Aug. 9—At a meeting on friday dubbed "a special session of the Council of Ministers," Polish Prime Minister Jan Krzysztof Bielecki met with the directors of Poland's largest state-owned firms to reply to their demands for speedy work on a programme for poland's macro-economic industrial policy.

Attending the meeting was Henryka Bochniarz, Polish Government plenipotentiary for organisation at the Ministry of Industry and Trade. She called for the stabilising elements of the "Balcerowicz Programme" to be maintained as an "anchor" for industrial policy. She said that she intended to inaugurate a two-weekly council of industrialists from both state and private sectors, to initiate a dialogue.

For their part, the industrialists explained their current problems and outlined future demands. Many also explained the progress of their attempts to save their enterprises through changes in ownership structure, and by attracting foreign capital and technological cooperation.

For most of them, the most pressing problem continued to be the high interest charges for bank borrowings. They also complained that ponderous bureaucratic structures caused lengthy delays in decisions on credits, and that they found current government regulations too stifling.

Bielecki noted that these were not problems which could be resolved quickly. He said that a further devaluation, and an easing of monetary policy, ahead of the October elections would certainly not help the polish economy.

"It is very important for the government to help those who want to achieve success, who want to run their businesses in a manner consistent with the principles of the competitive market. It would be worst of all if the majority of state-owned businesses simply waited for the inevitable changes in the economy," Bielecki said.

Peasant Christian Forum Joins Civic Accord

LD0908210691 Warsaw Radio Warszawa Network in Polish 1500 GMT 9 Aug 91

[Text] The Political Council of the Polish Peasant Christian Forum, Heritage, has decided to join the election committee named Center Civic Accord [Porozumienie Obywatelskie Centrum].

Democratic Union Chairman Mazowiecki Interviewed

PM1108125591 Lodz GLOS PORANNY in Polish 27-28 Jul 91 pp 1, 4

[Interview with Democratic Union Chairman Tadeusz Mazowiecki, by correspondent Ewa Lukasiewicz; place and date not given]

[Text] [Lukasiewicz] You picked yourself up remarkably quickly after your defeat. Usually, top-ranking politicians in this situation retire into the wings and set about writing their memoirs. You broke this pattern. What was the decisive factor?

[Mazowiecki] The express will of my supporters. They refused to let me leave the political scene. And as to the pattern of politicians' mode of stepping down from the limelight, I once read somewhere that the measure of democracy is not to be found in the electoral system alone, but also in the mechanisms ruling the departure of public figures from the political scene. The issue in question is whether democracy provides the right conditions for the departing politicians to step down with dignity. In the communist system, a politician stepping down from a prominent top position would automatically drop down a precipice and into oblivion. A democratic system should not allow this to happen. One reason for this is that in the former system people tend to hang on to their positions. The popular philosophy expresses this simply: Either you are at the top or you are nothing. This was the philosophy fostered by a totalitarian state.

[Lukasiewicz] So you did not drop out of the political game, but even today you still carry the burden of accusations over the results of your policy of "drawing a thick line" [to distance present politics from residual consequences of past system]. How do you view these things today?

[Mazowiecki] I have always stressed that those responsible for past transgressions and for the abuse of their power should be brought to account. This is the essential prerequisite here. It was by no means the intention of the "thick line" philosophy to release anyone from their accountability in this respect. The intention was as follows: As we drew the "thick line," we wanted to make it clear that that was precisely the point from which we accepted our accountability in matters of running the state. But this was only one aspect of the matter. The other one was our belief that all people should be given a chance in the new, democratic system. After all, there are appropriate institutions created especially to bring those culpable to account. In any case, many procedures of this kind were initiated at the time. I do not believe that their implementation has been speeded up since I stepped down from office, regardless of the many verbal declarations that were made at the time. Everyone simply came to realize that these things could not be rushed.

[Lukasiewicz] The intelligentsia formed the mainstay of your supporters then. Today, as a political party leader, you travel a lot all over the country. Has the Democratic Union gained a broader social support base thanks to your travels?

[Mazowiecki] The meetings which I hold in the course of my travels throughout the country are attended by a variety of people from all social strata, not only the intelligentsia. Our dialogue tends to be quite blunt at times. However, I believe that the Union's social base is certainly broader now and that it is slowly broadening all the time. A very important process taking place in Poland now is the emergence of a new middle class. The middle class plays an important role in any country with a democratic structure and a free market economy. We believe that in our country the middle class will develop and grow at a steady rate. It is made up not only of enterprising businessmen but also of actively involved employees. We believe that the Union carries a message which should reach the middle class in particular.

[Lukasiewicz] In one of your interviews you said that patience counts among a politician's principal virtues. Does this mean that you are hoping for an eventual vindication for the defeat in the presidential election campaign?

[Mazowiecki] I would not define it as hoping for a vindication. We are talking about something much more important here. You will know the popular saying that you cannot make the tea sweeter by just stirring it: You need to add the sugar first. Well, it is an important distinction in political life whether you profess the philosophy of just stirring the tea with a teaspoon or the practical philosophy of finding the sugar to put in the tea. There are certain people who try to exploit people's impatience with the difficult problems of everyday life in order to keep stirring the tea. We are adherents of the second course: the one which concentrates on securing the sugar. Given Poland's difficult situation today, we believe that it is essential to get the public to understand and endorse the tough economic transformation program. I am hoping for a "revival" of social understanding and awareness.

[Lukasiewicz] There are some who say that the Bielecki government has no political platform in society and that it is somewhat of a paradox that the Democratic Union, which is in opposition to the government, in fact often assumes the role of the same government's defender. What motives guide you in this?

[Mazowiecki] We believe that this government continues, in the broadest outline, the policy of our cabinet and, consequently—when it comes to the most general program lines—we offer it our support in this aspect. This is not to say that we are completely uncritical toward it.

[Lukasiewicz] In that case, what are your real goals in this situation: The directions of transformations in the country or the setting up of your own government and securing power?

[Mazowiecki] Any political party, and especially one which professes a general, all-inclusive social program, wants to participate in the exercise of power. We—by which I mean my government—had our work interrupted halfway.

[Lukasiewicz] If the opportunity were there, would you accept the premier's portfolio again?

[Mazowiecki] Such speculation is premature. Let us wait for the election results first.

[Lukasiewicz] Many groups within Solidarity have by now moved very far apart from one another. Do you still believe that there is a common road—a road which you had advocated so fervently?

[Mazowiecki] Solidarity has traversed the hardest road of all: from a broad-based social movement to a trade union. This was unique to our country and did not happen in this way anywhere else. Solidarity's new brief is narrower, but it is nonetheless equally important. Hence the difficulties and the complications, all of which will be progressively reduced even as party and political structures evolve into definitive models strong enough to discharge Solidarity's former function successfully. Of course, there can be no return to the same unity between all parties claiming the Solidarity pedigree that existed between them at the beginning of the road. However, this does not mean that we should all be aggressive toward one another. We must work out a new formula for maintaining normal contacts and forms of cooperation among us.

[Lukasiewicz] Do you perceive any threat today from postcommunist forces?

[Mazowiecki] I believe that some of these forces are attempting—sometimes in a covert manner—to persuade people that the difficulties of the past two years are not straightforward consequences of the legacy of the 40 years of the previous regime, but follow from the mistakes of the recent period. This is dangerous demagoguery which only confuses people badly. I see no threat in the sense of a possibility of going back to the past, but I still believe that it is dangerous to disseminate the untrue "balance of accounts sheet" in which our government and its rule is made culpable for the legacy we inherited from the past. It is dangerous because the memory of what it was really like is very short-lived.

[Lukasiewicz] You are accused of coming to an understanding with postcommunist forces. How do you react to this accusation?

[Mazowiecki] First of all I believe that an accusation of this sort is an example of extreme demagoguery and falsity. If it so happened that on the question of the electoral law the Democratic Union and the Parliamentary Club of the Democratic Left [PKLD] converged in their opinions, it is still no proof that we have come to a mutual understanding. We are not advocating a Sejmocracy here, but we do hold two firm beliefs in the matter. First, it is essential to hold the election on the pre-set date, which means that no difficulties should be allowed to intervene and call that date into question. Second, we are against bringing this parliament to its knees, because the next parliament will certainly suffer the consequences if we do this. We are not entering into any compacts with postcommunist forces, but at the same time we do not negate any party's right to exist alongside others. However, there is a difference between the democratic principle of allowing all options to coexist and the practice of entering into alliances with them. I very much deplore the fact that demagogic accusations are being leveled at the Democratic Union with cold deliberation.

[Lukasiewicz] Your slogan of "the power of the calm" failed to convince the majority of the electorate. Do you think that the new "power of the will," which is today demonstrated by the Democratic Union chairman, will have a better reception?

[Mazowiecki] This remains to be seen. I believe that our society is ready to acknowledge the need and the role for constructive action, and that the ongoing disputes and conflicts are being met increasingly often with public disapproval.

[Lukasiewicz] In the forthcoming election campaign political parties will also try to secure the church's support. Is the Democratic Union hoping for such support, too?

[Mazowiecki] There is a dualistic dimension to the endeavors to secure the church's support in the election campaign. One of these dimensions is potentially harmful, as it can divert the church from its proper role. I am thinking here of involving the clergy in the political game. This is harmful, because the clergy should never introduce divisions between the faithful. But there is also another way in which the church can participate in the political life. It is understandable that it puts forward certain proposals and stipulations concerning moral and social issues in the country and it wants to see people who identify with these views represent them in parliament. This is natural. However, the main concern is that we should not declare our allegiance to certain banners too easily, but consider carefully what message and content these banners carry. This should also be manifest in the style of our political activities; in particular, we should take into consideration the essential aspect of our Catholic, or, more widely, Christian philosophy: whether people become involved in practical politics in order to divide or to unite. Whether their activity encourages more aggression or fosters better social understanding.

[Lukasiewicz] Most politicians, and especially politicians of your stature, are guided by higher reasons in

their political activity. But please tell me frankly: Is there no element of rivalry against Lech Walesa which may affect the tenor of your political activity?

[Mazowiecki] Of course politicians are guided by higher reasons, but it is also hard to deny that their activities are not at all motivated by personal ambition. However, in my own case I can tell you that there is absolutely no element of rivalry connected with the person of Lech Walesa in my political activity. I was forced by the circumstances of the time to compete with him. In view of the one-sided nature of the program he formulated and the charges leveled by him at the government which I headed then, it was imperative to create an alternative option in defense of the vision of democracy which we were proposing to put into action. Thus, I was forced by circumstances to act as I did. But I was not interested in entering into personal rivalry against Lech Walesa. This is because I believe that we are like two contestants who compete in different sporting disciplines—to use this type of metaphor. And I also believe that there is enough room for both of us on our country's political stage.

[Lukasiewicz] Do you two gentlemen maintain any contacts with each other? Has President Walesa talked with you as he had talked with General Jaruzelski?

[Mazowiecki] No. I twice proposed that the president and I hold a meeting, but to date this has not taken place.

[Lukasiewicz] Who is President Walesa to you today?

[Mazowiecki] First of all he is the elected president, whom I hold in regard. On the other hand, he is a bit of a mystery to me as a person. I keep asking myself whether he will be able to draw on his best traits and return to his role as a man who, regardless of the situation, is pledged to building accord instead of creating divisions.

Labor Minister on Unemployment, Job Creation

AU0908140691 Bucharest ROMPRES in English 0939 GMT 9 Aug 91

[Text] Bucharest ROMPRES, 9/8/1991—Referring in an interview with daily "COTIDIANUL" to the labour policy and actions taken for the creation of new jobs, Mihnea Marmeliuc, Romanian minister of labour and social security, mentions special measures to encourage investments to reactuate stagnant economic branches, like building, a comprehensive program of public works, the development of the private sector of agriculture that is hoped to take in a big number of unemployed people, steps to encourage small and average enterprises in industry and services.

As for the protection of the new batch of high and higher-school leavers against unemployment, Mr. Marmeliuc mentions their orientation toward post-graduate skilling centres and schools for trades for which there is redundancy of jobs. Another direction of action presented in that context is the transfer of the unemployment benefit, which accounts, as a rule, for 70 per cent of the wages, on account of the wage fund of the enterprises that agree to hire for an indefinite period of time young graduates, taking advantage of their work and paying in exchange only the remainder 30 per cent out of their own resources.

The labour minister also surveyed his international contacts in this respect and their concrete results, including the international labour office technical assistance program for Romania on the organization of labour market and manpower administration, in the operation of which the UNDP [United Nations Development Program] too, participates, and the starting of an accord of cooperation and technical assistance with France, which he considers as very convenient for Romania.

Current data of the Ministry of Labour and Social Security of Romania record 150,079 unemployed, including 79,196 women. By professions, 128,313 unemployed are workers, 16,123 are high-school graduates and 5,603 are higher-school graduates. Available jobs in the country count 2,661, including 86 for persons with high and higher-school certificates. About 51,000 unemployed are enrolled in recycling courses. Bucharest's figure of unemployment is 9,804.

Industrial Decline in First Half of 1991 Reported

AU1208101091 Bucharest ROMPRES in English 0904 GMT 12 Aug 91

[Text] Bucharest ROMPRES 12/8/1991—Even though recovery signs in Romania's industry have been apparent in recent months, its half-year production declined from the same time last year.

Industrial production dropped 16.6 percent in the first half of the year from the same period last year, the National Commission for Statistics announced. A sharp decline in resources—domestic and foreign—particularly of energy, largely contributed to that poor performance, adding to which were continuing malfunctions of the economic and financial mechanism and of the supply-production-delivery process. As a result, 66.7 billion lei worth of contracts were yet to be fulfilled at the end of June, delaying both exports and imports which had dropped 27.7 percent and 34.2 percent respectively from the first half of 1990.

As far as investment is concerned, statistical experts show, June marked a rise on any other single month this year, although overall, the half-year performance was 31 percent down on the same period last year. Construction materials production in the first half of this year was just 73.6 percent of its performance in the first half last year. And yet, construction materials exports—as a result of a sharp drop in housing construction and irrigation projects—brought 15.3 million dollars surplus in the first half of this year.

As problems plagued the industry and the investment sectors unemployment rose to 128,732 on 2 July, adding to whom were another 66,841 registered as jobless before that date.

Center-Left Alliance Protests Economic Policies

AU0908193291 Bucharest ROMPRES in English 1849 GMT 9 Aug 91

[Text] Bucharest ROMPRES, 9/8/1991—The Steering Committee of the Centre-Left (Social Democratic) Alliance which gathers the Democratic Cooperative Party, the Romanian Party for a New Society, the Social Democratic Party (Independent), the Democratic Party of Labour, the Workers' Technical-Economist Alliance (Labour), and the Association Defending the Right to Work held a meeting on August 7 to analyse the economic and social situation of Romania, the Alliance's attitude toward other political groupings and the measures which should be taken for the forthcoming local elections, shows the Alliance's Steering Committee in a statement sent to ROMPRES for publication. [sentence as received]

In full consensus, the Steering Committee assesses that in the first half of this year Romania has been in a full democratization process continuing the series of political, economic and social reforms and taking significant steps toward a market economy. Next, it criticizes the government which, "under the veil of reforms, does not publicly recognize the true state of affairs in the country, the national economy's advance toward precipice, justifying such a collapse in the taking over of a disastrous economic and social situation from the totalitarian regime, an assertion that does not fully accord with the truth.

Our Alliance, the statement shows, demands both the country's president, Mr. Ion Iliescu, and the premier, Mr. Petre Roman, to clearly and realistically present the real situation in the country, even if it is not convenient

to them, to show what Romania's prospects are both in the short and in the long run, to call again on all forces, on all people to effectively participate in restoring the economic situation and, implicitly, the social one according to a realistic programme.

As for its relations with other parties, the Alliance underscores that it is open to all the political groupings advocating its platform and makes an appeal for the achievement of a political, economic and social consensus aiming, above all, at economic recovery, revigoration of production forces, ensurance of the masses' social protection and a halt in price rises.

RMDSZ Presidium Issues 27 Jul Communique

AU1008184291 Bucharest ROMANIAI MAGYAR SZO in Hungarian 31 Jul 91 p 1

["Communique From the National Presidium of the Democratic Association of Hungarians in Romania" issued on 27 July]

[Excerpts] The national presidium of the Democratic Association of Hungarians in Romania [RMDSZ] held its most recent meeting on 26 July 1991 at the Balvany baths in Kovaszna County. The presidium discussed issues that are important to the RMDSZ, it made decisions, and it charged the national secretariat with the implementation of these decisions. [passage omitted]

Analyzing the declaration on national minority rights issued by the Civic Alliance's congress, the RMDSZ presidium saw this document as a significant statement by Romania's democratic political forces, a document allowing for fruitful cooperation in the fight for the restructuring of this country. The RMDSZ presidium sees this Civic Alliance declaration as particularly important in the current political climate that is seriously burdened by revived extremism and by the advance of nationalist, chauvinistic, and primarily anti-Hungarian and anti-Semitic forces.

The RMDSZ presidium discussed the statement on Hungarian higher education in Romania issued jointly by the Bolyai Society, the provisional directing council of the National Association of Hungarian Teachers, and the Hungarian Student Union of Kolozsvar [Cluj]. The presidium agreed with the view that the government should not solve the issue of Hungarian teacher training by establishing a teacher-training institute that is independent of Babes-Bolyai, but rather, by reestablishing an independent Hungarian university. The presidium believes that it is necessary to enforce proportional representation in institutes of education, to appoint a state secretariat with an appropriate jurisdiction and staffing within the Ministry of Education, and to develop county school inspectorates that reflect the nationality composition of counties. The presidium studied and approved the draft timetable necessary for the introduction of history classes aimed at making Hungarians in Romania aware of their identity. The presidium urges the Ministry of Education to include this subject in its educational curriculum for the academic year 1991-1992. [passage omitted]

The national presidium will hold its next meeting in Nagyvarad [Oradea] on 30 August.

PNT-cd, Civic Alliance Party Appeal to EEC

AU1108192691 Bucharest DREPTATEA in Romanian 7 Aug 91 p 1

["Appeal to the European Economic Community" by the National Peasant Christian Democratic Party and the Civic Alliance Party]

[Text] Romania is going through a profound economic, political, social, and moral crisis that risks placing it again among the countries with a totalitarian regime.

Firmly united in the desire to pull our country out of this crisis and to guide the policy of detente and cooperation promoted by Western countries toward a favorable course, the undersigned parties hereby appeal to the European Economic Community, asking for the formulation of a plan for economic assistance with a view to developing farmers private ownership in Romania.

Romania achieves a major part of its national revenue from agriculture and has favorable natural conditions for an intensive and profitable agriculture. The 45 years of communist dictatorship have ruined the farmers who used to own their lands. Romania's new leadership has worked out and endorsed an unsatisfactory land law that hampers the process of guaranteeing the farmers their natural right to own the land they till.

The lack of agricultural equipment and state credits is the main obstacle in achieving privatization. Through administrative pressure, the political leadership pursues the creation of communist-type associations favored by the state instead of promoting the idea of private ownership on the basis of effective measures.

Given this situation, we want to draw the EEC's attention to the dramatic situation of our farmers, who are thus pushed toward agricultural organizations that once again lean toward a new collectivization of agriculture.

We believe that the restoration of private ownership for the Romanian farmer is an obligatory condition for developing a prosperous and stable democracy. Romania is able to join the European economic circuit only if it frees itself from state control over the means of production in agriculture and industry.

Under these circumstances, the political parties that have signed this appeal offer the moral guarantee for the aid the European Community is able to grant to the Romanian farmers and pledge to ensure local structures for the correct administration of such aid—under EEC supervision—that has to be guarded against a possible misappropriation by the current leadership.

We wish for a prosperous Romania that is respected by our neighbors as a reliable partner determined to become integrated into Europe by all means.

There are conditions available in our country to restructure industry so that it may meet the needs of a modern agriculture and animal breeding sector of small individual producers. However, the current agricultural policy promoted by the Romanian state is hostile to individual farm holders.

This is why we ask that this shortfall be made up for by aid in enough appropriate and modern agricultural equipment under acceptable payment conditions—long-term credits.

Since the undersigned parties lack instruments for influencing our state's agricultural policy, we believe the time has come for the developed countries in Europe to grant assistance to the social strata in Europe that is the poorest and at the greatest disadvantage—the Romanian farmers—so that they may consolidate their private ownership.

We hope that our appeal will meet with the desired response.

[signed] National Peasant Christian Democratic Party [PNT-CD];

Civic Alliance Party

Federal

Cease-Fire Commission Meets, Reports Findings

LD1008204191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1945 GMT 10 Aug 91

[Text] Belgrade, 10 Aug (TANJUG)— The SFRY Presidency's Commission for Supervision of the Cease-fire in the Republic of Croatia held an extraordinary session in Belgrade today, to consider some problems of the implementation of the planned measures of the Federal Secretariat for Internal Affairs (SSUP) on sending observer groups to crisis areas and problems in implementing the conclusions and agreements reached on freeing prisoners. Branko Kostic, chairman of the commission, and Vice-President of the SFRY Presidency, was in the chair.

Representatives of the government of the Republic of Croatia were also invited to the session, but they did not attend.

The commission assessed that yesterday and today, in the territory of the Republic of Croatia, there were no organised armed clashes, except for sporadic shooting and use of explosives. The decision concerning the cease-fire is, by and large, being respected.

The Commission was informed that the government of the Republic of Croatia challenged the planned measures of the SSUP on sending observer groups to crisis areas in the Republic of Croatia, which was adopted by the Commission yesterday. Therefore, the Commission decided to postpone sending observer groups to the crisis areas. In connection with this the Commission adopted a report and conclusions, which will be sent to the SFRY Presidency for consideration. At the same time the Commission concluded that before the next session of the SFRY Presidency, the Commission's working group—the members are Vasil Tupurkovski, Bogic Bogicevic, Irfan Ajanovic and Petar Gracanin—should again hold talks with the leadership of the Republic of Croatia concerning issues that caused delays in the necessary control of the cease-fire and the separation of forces.

The Commission was informed about activities being taken to release prisoners. Talks on releasing all prisoners, which are attended by all members of the Commission and interested sides, are underway in Zupanja. Despite an expressed readiness of both interested sides, obligations that had earlier been assumed have not yet been fulfilled. The state Commission uses this opportunity to call on the interested sides to carry out this important task completely and as soon as possible.

The Commission decided that at 1000 tomorrow, a news conference will be held in the International Press Center in Belgrade, when the public will be informed in greater detail about the Commission's activities, and the problems it has encountered.

Commission Satisfied With Results

LD1108112391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1005 GMT 11 Aug 91

[Text] Belgrade, 11 Aug (TANJUG)—"Bearing in mind that the government of the Republic of Croatia opposed the sending of observer groups to the crisis areas in this republic, the cease-fire commission has decided that their sending should be postponed. For this reason, part of the state [ceasefire] commission—Vasil Tupurkovski, Bogic Bogicevic, and Irfan Ajanovic are expected to travel to Zagreb today for talks with the Croatian leadership, in an attempt to eliminate the existing disagreements."

This statement was made at today's press conference for domestic and foreign journalists in Belgrade by Irfan Ajanovic, member of the commission, who expressed satisfaction at the results achieved so far concerning the cease-fire and the talks on the liberation of prisoners.

When asked a direct question—when and where the exchange of the first 20 persons would be conducted—Ajanovic replied that it would be conducted on the motorway between Belgrade and Slavonski Brod, but that for security reasons he was unable to disclose any further information. However, he added that he hoped this had already been done at about 1100 hours today.

Army Daily: Brioni Accord on Weapons Violated

LD1208140891 Belgrade TANJUG in English 1305 GMT 12 Aug 91

[Text] Belgrade, Aug 12 (TANJUG)—Slovenia's Territorial Defence (T.O.) is not returning to the Ljubljana Corps of the Yugoslav Army (JNA) the materiel it had seized from the JNA, thus violating the Brioni declaration, writes today's weekly NARODNA ARMIJA (People's Army). Journalists of the army publications NARODNA ARMIJA and FRONT presented to Slovenian Defence Minister Janez Jansa the documents revealing that the T.O of Slovenia was not returning the confiscated arms.

Jansa invoked a Slovenian republican regulation which, in conformity with the acts on the secession of this Yugoslav Republic, provides for the entire federal property to be nationalized without making it necessary to reach a relevant accord with the federation. NARODNA ARMIJA weekly assesses that the 'Slovenian political top does not take seriously a decision by the Federal Presidency according to which the JNA units—together with their complete arms and equipment—have to move out of Slovenia in three months' time.'

The Slovenian side, adds the weekly, wants to convince European observers that it is itself the side that does respect the Brioni Declaration and that it is returning the confiscated JNA property.

Army To Complete Withdrawal in September

LD0908211191 Belgrade TANJUG in English 1949 GMT 09 Aug 91

[Text] Ljubljana, August 9 (TANJUG)—Officials of the 5th Army District today eaid that the majority of Yugoslav Army units would withdraw from the Yugoslav Republic of Slovenia by mid September, and "completely by the end of the month".

At a meeting with Slovenian commission officials, it was agreed that the republic would provide security of all facilities which the Army leaves behind.

Slovenia passed a decision on secession from Yugoslavia on June 26. The Yugoslav Army, which was protecting the country's borders under a decision by the federal government, was attacked and declared an aggressor. The Yugoslav state presidency decided on July 18 that both Yugoslav Army corps in Slovenia pull out from the republic to the territory of the republics of Bosnia-Hercegovina and Serbia.

'Secret' Plan for Attack on Slovenia Reported

AU1108134691 Vienna NEUE KRONEN-ZEITUNG in German 10 Aug 91 pp 2-3

[Claus Pandi report: "Yugoslav Army Is Preparing For Major Attack!"]

[Text] Belgrade/Zagreb/Vienna—All those who are talking of a peaceful solution on the Balkans might be roused out of their dreams by a powerful military blow by the Yugoslav Army as early as in the next few days or weeks. Dr. Mislav Jezic from the Croat Pan- European Union is urgently warning Western politicians against trusting the present relative peace in Yugoslavia: "The Army is preparing for a large-scale war!"

"Democracy is only a word for Belgrade because the central government wants to maintain communism and this is not possible with a democracy," said Dr. Jezic to stress his fears of an imminent major attack by the Federal Army.

Jezic, chief of Croatia's Pan-European Party, continued: "According to the EC Brioni agreement, Croatia and Slovenia had to forego all further steps toward independence by October. Afterward all measures for the sovereignty of the two republics can be taken. Even before that, the Army will intervene. By occupying the entire country, the generals will force Europe to find a solution."

A secret plan that provides for an attack on Slovenia if the northernmost Yugoslav republic secedes became known only recently. The Army plan—developed in a general staff session on 5 August—was passed on to NEUE KRONEN-ZEITUNG and consists of the following:

—The already agreed withdrawal from Slovenia has to be delayed.

—High-ranking Yugoslav security service officers are to defect to the Slovene militia, weakening the combat effectiveness of the territorial defense.

—After the withdrawal of the main military units and their families, pretexts that justify the air force's intervention are to be created.

—The Krsko nuclear power plant is to be neutralized by attacks on the power installations outside the reactor.

—Air force attacks above Maribor and Ljubljana are threatened.

Experts with intimate knowledge of the Serbian generals' camarilla proceed on the assumption that there will be a blitzkrieg and the "recalcitrant" republics will be "totally occupied" afterward. Then further negotiations between Belgrade, Zagreb, and Ljubljana will be subject to the Army's dictate.

In the past 24 hours, continuous troop movements were observed in Croatia's capital. Kresimir Fiacko, deputy chief editor of the daily VJESNIK said: "Dozens of Army vehicles are directly passing by our editorial building, which is on one of Zagreb's main roads."

A former officer of the Federal Army, who is now doing his duty in the Slovene territorial defense, believes to know the Army's strategy: "The attack will be carried out from the south to the north, up to Austria. First it will be Kosovo's turn, and then the blows will follow in rapid succession."

The latest refugee wave from Albania might also be connected with imminent military actions in Kosovo. Albanian Foreign Minister Kapllani said that Serbia is the instigator; this is said to be a diversion created by Belgrade.

The U.S. intelligence service, the CIA, apparently also learned that Yugoslavia is facing a dramatic decision—the State Department in Washington calls on all U.S. citizens to quickly leave Croatia and Slovenia....

Press Reports Military Equipment in Transit

LD1008060191 Belgrade TANJUG in English 0135 GMT 9 Aug 91

[Text] Belgade, August 9 (TANJUG)—Fifty Czech-made tanks arrived from Hungary in the Adriatic seaport of Ploce, Croatia, on August 7, writes the Belgrade daily BORBA in its tomorrow's issue. The tanks were transported by domestic railway and, under the contract, are to stay at ploce only in transit, BORBA learns.

For its part, the Belgrade daily POLITIKA writes that the transit permit was issued by Yugoslavia's Federal Secretariat for the Interior. While in the tariff-free zone at Ploce, the tanks are to be safeguarded by Croatia's Ministry of the Interior (MUP) guards.

"Consequently, by the selfsame MUP guards who on July 23 broke the said zone gates open and plundered 2,000 pistols and five million bullets whose owner is also from Czechoslovakia," POLITIKA claims, adding that, "under the papers enclosed by the producer and the seller, the tanks are meant for Pakistan."

POLITIKA also discloses that "two special trains from Subotica" arrived in the Adriatic seaport of Bar, Republic of Montenegro, southwestern Yugoslavia, on August 9. "Involved are 46 wagonloads of military equipment from Hungary, destined for the port of Ploce."

The shipments were redirected to the port of Bar "on account of unsafe railways through Croatia," the paper explains. To be found on the two trains, however, is equipment for military telecommunications to be further sent "on board an Indian ship across the ocean," POLITIKA reported.

In the port of Bar stored for already twenty or so days now are arms of Lebanese origin, the paper reminds. The remaining nine ships are expected, under the contract, in the 2nd half of August.

The said arms are enough to arm an army of 100,000 troops. The port of Bar deals with them in transit and the end-buyer is still unknown, POLITIKA claims.

Daily Accuses YPA of Trying To Oust Mesic

LD1108165491 Belgrade TANJUG in English 1530 GMT 11 Aug 91

[Text] Zagreb, Aug 11 (TANJUG)—Zagreb daily VJESNIK accuses today the Yugoslav Army (YPA) of trying to 'force' Stipe Mesic tc abandon his post of president of the Yugoslav State Presidency and no longer stand in its way to performing a coup. The YPA VJESNIK asserts, has definitively 'sided with a greater Serbian hegemonist phalanx' and has long been preparing the grounds 'to definitively crush the democratic authorities, first in Croatia and then elsewhere.'

Croatia, says the paper, will not recall Mesic from the country's Presidency, where he has to stay, or else Vice-President Branko Kostic would invent a pretext for the YPA's attack on Croatia.

VJESNIK writes that 'An apparently harmless and principled decision by the Presidency on restoring peace may quite easily bring about a bloody aggression by the Army against a nation.'

With Mesic being president of the State Presidency, 'A military coup becomes precluded at an early enough stage,' writes the paper. As the paper believes, Mesic has become 'an increasingly serious threat to a successful execution of operation Rampart Two.' The Slovenian defence minister stated last week that the YPA was preparing a plan, code-named Rampart Two, of aggression against Slovenia and Croatia.

VJESNIK says that the YPA wants to provoke Mesic to give up presidentship, preferably for good. Hence, writes the paper, it is of paramount importance to have Mesic stay in the post of the state presidency president 'at the time when the top of the 'Serbo-army' nonetheless decides to make its last desperate move intending to sacrifice generations of youths in order to preserve its own priviliged positions.'

Commentator Fears U.S. Bases in Albania

AU0908205691 Belgrade RTV Sat TV in Serbo-Croatian 1730 GMT 9 Aug 91

[Interview with NARODNA ARMIJA commentator Milovan Drecun by Dragan Milutinovic—place and date not given]

[Text] [Milutinovic] Albanian President Ramiz Alia has lately threatened to open a new Southern front; is [he now] threatening with his arms?

[Drecun] Ramiz Alia does not have the armed forces that could threaten Yugoslavia. However, he is threatening with someone else's armed forces. In fact, Albania and the United States are conducting intensive secret negotiations for three Albanian military bases to be turned over to the Americans. The first one would be on the island of Sazan, where the Albanian Army now has an observation post controlling entries and departures of ships in the Adriatic Sea. The second base would be in Vlore Bay, presently the location of the Liman Pasha navy base; the third base would be somewhat farther to the north, in Shendjin.

Some shipments of equipment were noticed lately. Alledgedly they represent humanitarian aid, sent by the United States toward the north of the country, toward Sendjin under supervision of the Albanian Army.

[Milutinovic] What do the Americans have to gain strategically with these bases?

[Drecun] By gaining these bases Albanians themselves would gain a great deal. In other words, the Americans would pay handsomely for this.

On the other hand, the Americans would gain the ability to control the development of events in Albania, and possibly to establish a puppet regime that would suit them. They would also have a much greater ability to act in relation to Yugoslavia, primarily in relation with Kosovo, Sandzak and Montenegro. If they wished, the Americans could intensify the supply of arms to the Albanian nationalistic separatists in Kosovo. But they could also take action in the event of rebellion of Albanians in Kosovo, and they could possibly, under the pretext of some kind of humanitarian help, isolate the Albanians. In other words, they could do the same as they did in Iraq when they were allegedly protecting the Kurds. Thus the Americans would gain control of the

main strategic direction on the southern front, which stretches along the Morava and Vardar valley reaching the gates of Belgrade.

[Milutinovic] What is the morale of the Albanian units at this time?

[Drecun] The morale in the Albanian Army is extremely poor. It is practically disintegrating. It is very difficult for them to recall the reservists; the soldiers often run from the units; they rob the warehouses; the leadership is weak. Also, there are no more border units at the borders. The work there is now done by armed civilians. The soldiers are often sunbathing at the very border, allowing Albanian citizens to cross undisturbed.

[Milutinovic] So, the Americans have the aspirations toward our coast?

[Drecun] I have recently received information from Dubrovnik that the residents there are extremely unhappy because the tourist season in Dubrovnik has failed. For this they blame [Croatian President Franjo] Tudjman, first of all, and then the Federal Prime Minister Markovic. Many parties are preparing plans, in their programs, to detach the Dubrovnik territory from Croatia and create the Dubrovnik republic.

Meanwhile they are persistently, though not yet publicly, accusing Tudjman that he, allegedly sold this very part of territory, the Dubrovnik territory, to the United States, and that he is now buying arms with this money. This territory, according to their accusations, is probably going to become a U.S. base.

[Milutinovic] This way the United States would gain superiority in the Mediterranean.

[Drecun] They already have superiority over the Soviet fleet in the Mediterranean area, and they are practically the only masters of the Mediterranean sea.

TANJUG Tallies Conflict's Economic Impact

LD0908205891 Belgrade TANJUG in English 1122 GMT 09 Aug 91

[Text] Belgrade, August 9 (TANJUG)—For some time, the Yugoslav economy has been ruled by force rather than law, and what the world sees as common plundering has been justified by "independence" or "reposession for unpaid debts".

In the broader Belgrade region alone, 562 representative offices of firms from Slovenia and Croatia - employing some 36,000 people - have declared independence from their parent companies. Over the past few days, a dozen new companies were formed from the former representative offices of Lesnina Ljubljana, Planika Kranj, Auto-Hrvatska Zagreb, Jugoplastika Split, Nik Zagreb and Bagat Zadar.

Croatia responded to the move for independence by representative offices of Croatian firms in Serbia by introducing special taxes for Serbian firms in Croatia which exceeds their fixed assets, let alone their turnover. This has forced Kluz of Belgrade, for instance, to close 18 of its 20 shops in Croatia, and Jugodrvo of Belgrade to exchange its facilities together with the staff for those owned by the Zagreb firm Savric in Serbia.

Serbian Justice Minister Predrag Todorovic told the Belgrade daily POLITIKA that Serbia had adopted a special regulation banning the sale of property of Croatian and Slovenian firms in Serbia, in response to a similar move by Croatia. Both the Serbian and the Croatian regulations set out that their implementation will depend on the way the property of their firms is being treated in the other republic.

As of lately, firms from throughout Yugoslavia have been urging a continuation of business cooperation, saying that everybody is losing in the current situation. President of the Belgrade Chamber of the Economy Branislav Vujinovic maintains that cooperation between firms from different Yugoslav republics will not further deteriorate, adding that Serbia will contribute to the resumption of cooperation by lifting special taxes on economic facilities.

A decision by Yugoslavia's leading car manufacturer Crvena Zastava of Kragujevac and its chief supplier of car interior accessories Jugoplastika of Split to continue cooperation is the first major indication of the fact that economic interests have started pushing to the background political differences.

The leadership of the Yugoslav Chamber of the Economy yesterday appealed on politicians to stop blocking the economic trends in Yugoslavia because the country is heading for an economic catastrophe which might result in more casualties than the recent armed clashes.

International

Mesic Views Crisis, Ties With Hungary

LD0908233391 Budapest MTV Television Network in Hungarian 1910 GMT 9 Aug 91

[Interview with SFRY Presidency President Stipe Mesic, by unidentified Budapest television correspondent, in Zagreb; date not given—recorded]

[Excerpt] The following paradox is characteristic of the situation in Yugoslavia. Serbia and the Yugoslav People's Army are attacking Croatia on behalf of Yugoslavia. On the other hand the president of Yugoslavia is Stipe Mesic, who often speaks out for Croatian sovereignty in Belgrade. We managed to speak to him in the lobby of the parliament in Zagreb.

[Begin recording] [Reporter] Mr. President, do you think compromise between Serbia and Croatia is still possible?

[Mesic, in Serbo-Croatian, fading into Hungarian translation] I think it would be hard for the Serbian ledership to decide to take real action in order to normalize the situation. It is in fact the maneuvers of the Serbian leadership that are in the background of the war in Croatia. That is, as soon as peace is made the organization will have to deal with its own internal problems: unemployment, low incomes, bad infrastructure. Suddenly they will be landed with all the problems of Serbia. Therefore it is in their interest for the war in Croatia to continue as long as possible.

[Reporter] Mr. President, the Serbian leadeship is constantly criticizing Hungary, too.

[Mesic] They have no reason to do that at all.

[Reporter] Is this the Yugoslav standpoint?

[Mesic] The Serbian leadership has no reason to criticize you.

[Reporter] No, but the Serbian leadership criticizes Hungary on behalf of Yugoslavia, and you are the president of Yugoslvia.

[Mesic] Serbia can criticize if it wants to, but relations between Yugoslavia and Hungary are very friendly. [passage omitted] [end recording]

POLITIKA Asserts EC Failed Test

LD1008161291 Belgrade TANJUG in English 1121 GMT 10 Aug 91

[Text] Belgrade, August 10 (TANJUG)—The Belgrade daily POLITIKA writes today that last week's lively international diplomatic activity concerning the Yugoslav crisis proves that the expectations of its acquiring international dimensions were premature, to say the least.

Experience has again taught us that much time and very strong motives and interests are needed to start the wheels of the international diplomacy in cases as complex as the Yugoslav one, says POLITIKA.

It goes on to say that, from the international aspect, the most complex approach towards the Yugoslav crisis is the one of the European Community.

Options in relation to the Yugoslav crisis are among the most serious tests of the E.C.'s unity before its transformation into a higher form of integration - Europe without borders. The prevailing view is that the test has not been passed - says POLITIKA.

The Yugoslav crisis, like the one involving Iraq before it, has only accentuated the Community's essential unpreparedness for political action beyond its integration goals, it adds.

This has resulted in assessments that the world's two leading superpowers - the United States and the Soviet Union - are more suitable candidates for some kind of mediation in Yugoslavia. Admittedly, so far we have seen no signs of any special interest on the part of either Moscow or Washington, says POLITIKA.

However, any change on a more dramatic scale in Yugoslavia's internal equillibrium will certainly lead to new global reappraisals, concludes POLITIKA.

EC Observer Mandate Extension Rumors Denied

LD1008223791 Belgrade TANJUG in English 2140 GMT 10 Aug 91

[Text] Belgrade, August 10 (TANJUG)—Yugoslav Deputy Foreign Secretary Novak Pribicevic on Saturday denied the disinformation about the alleged decisions of the committee of senior officials of the Conference on Security and Cooperation in Europe (CSCE) to increase the number of the European Community (EC) mission's observers in Yugoslavia to 500 and extend its mandate to include the Republic of Croatia also.

Pribicevic told TANJUG tonight on returning from Prague, where he headed the Yugoslav delegation to the CSCE meeting, that the committee of senior officials, whose session he had just attended, did not adopt any such decisions.

The EC's and the CSCE's readiness to continue their engagement also with regard to the observer mission, was reiterated, on the condition that all the modalities of its further implementation be agreed with Yugoslavia, Pribicevic said.

This is the only possible procedure within the CSCE frameworks which functions solely on the basis of a concensus, that is, the agreement of all its 35 member-countries, he added.

It is up to the Yugoslav presidency to decide on the need for a possible extention of the European Community observer mission's activity, Pribicevic concluded.

Slovenia

Rupel Asserts Republic De Facto Recognition

AU1108144491 Vienna AZ in German 10-11 Aug 91 p 7

[Interview with Slovene Foreign Minister Dimitrij Rupel by Tessa Szyszkowitz; place and date not given: "We Are De Facto Recognized"]

[Text] [Szyszkowitz] Are you not disappointed that the recognition [of Slovenia] is even for Andreas Kohl [Austrian deputy] in the distant future because it would disturb the process of negotiations with the EC?

[Rupel] I would not see it in this way. After all, we are recognized in a de facto fashion. We are already receiving an Austrian delegation at the level of a republic. Meanwhile, we are holding talks with the whole

of Europe, at the political and the economic level. We are treated as a republic that is acting in a sovereign way.

[Szyszkowitz] The de jure recognition is even for you no longer so urgent?

[Rupel] It will come. Before that, we will conduct our negotiations.

[Szyszkowitz] This sounds as if you had changed your position to a certain extent. Before the Brioni agreement it was always stated that total independence comes first and that negotiations with Belgrade will follow.

[Rupel] You see, we are independent. But we still have to solve the problems.

[Szyszkowitz] Problems like the one that the Federal Army is withdrawing but takes everything along with it, for example the military hospital facilities of hospitals where Slovene civilians were also previously treated?

[Rupel] Medical care is not such a problem. Rather, many facilities for air surveillance, to which we made financial contributions for years, are now being taken away by the Federal Army. This is not possible.

[Szyszkowitz] There has been a certain detente in Slovenia since Brioni. President Kucan and you, too, are on a short vacation. Are you aware that the Army's withdrawal from Slovenia was a tactic used by Belgrade to have a free hand for Croatia?

[Rupel] What you said about vacations is a joke. Nobody here is vacationing. Regarding Belgrade, this enormous Army is actually under Serbian control. Here the question arises how Serbia is to finance this enormous Army in its economic situation. This is a dangerous situation.

[Szyszkowitz] In the past few days, the Austrian delegation has gained the impression that there is currently hope for peace.

[Rupel] I think that the EC has understood now that the north of Yugoslavia, that is, Slovenia and Croatia, are turned toward Europe, want to negotiate, and take democratic structures seriously, while this does not apply to the southern part. This has been very important for us.

[Szyszkowitz] There are major confrontations in Slovenia's domestic policy. For how long will Peterle remain prime minister?

[Rupel] One and a half years ago, we still adopted the structures of real socialism. I believe that with 27 people our government is far too large. One could do better work with 14 people.

[Szyszkowitz] Is it not a personal rather than a structural problem?

[Rupel] No. Peterle will also be able to work more efficiently when there are better structures. I personally do not fear for Peterle's fate. But one never knows what may happen.

Deputy Prime Minister Comments on Crisis

AU1008145391 Vienna Oesterreich Eins Radio Network in German 1000 GMT 10 Aug 91

[Interview with Croat Deputy Prime Minister Milan Ramljak by Friedrich Orter; place and date not given—recorded]

[Text] [Orter] Dr. Ramljak, you are the deputy head of government of a cabinet that now calls itself a coalition government of national unity. My question is: Does this cabinet now have better opportunities to find a peaceful solution in this conflict with Serbia?

[Ramljak] Possibly. If the Republic of Serbia were to abandon its imperialist objectives, that is, the creation of a greater Serbia, the chances would be great. If Serbia does not change this point of view, I do not see any chance for a peaceful solution.

[Orter] It was shown in the past few days, but also in the past few weeks, that the Croat National Guard, that is, the armed force of Croatia, is not able to put up resistance to the greater Serbian aggression, as you call it. Why did this development take place in Croatia? Why had Croatia not tried to develop, like Slovenia, a strong military power before it proclaimed its independence? After all, Croatia also had to assume that the peaceful proclamation of its independence was not ensured right from the beginning.

[Ramljak] Yes, compared to Slovenia, the situation in Croatia is very different. First of all, I want to say here that, on the one hand, Croatia actually does not have any important armed forces, that is, no army. Croatia has the police and the national guard, but they cannot match themselves against the Federal Army. We do have the concept of territorial defense. However, one year ago, before the democratic elections, the territorial defense was disarmed.

[Orter] By the Army?

[Ramljak] By the Army. Here I want to stress that this only happened in Croatia. In Slovenia, Serbia, Macedonia, and so on, this was not done.

On the other hand, the rules of war are not observed in this dirty war. Serbia is operating here with a strange mixture of terrorism, revolt, and concealed aggression. In Slovenia, there was only open but not real aggression.

[Orter] What do you mean by not real aggression?

[Ramljak] Well, it was realized that the Army...

[Orter, interrupting] You mean that the Army did not use all its opportunities?

[Ramljak] No.

[Orter] ...which has to be expected in Croatia. If Croatia is attacked, the Army threatens Croatia with its entire potential...

[Ramljak] ...with the air force, infantry, tanks, and so on.

[Orter] On Croatian television and in other media, it can be repeatedly heard that there was a legislative resolution on a mobilization—that is, not a general mobilization, but a mobilization in the areas that are currently under Serbian control. This has to be seen in this way—that is, eastern Slavonia, parts around Knin, Banija, and Baranja. However, one has the impression that, in the final analysis, a specific command structure does not exist. There are, for example, national guardsmen in Osijek who say: We actually do not know who is our commander in chief. There is, in fact, none. General Spegelj resigned. He asked to be relieved of his duties. There is no commander in chief of the national guard. That is to say, there is a vacuum in the supreme command of the national guard.

[Ramljak] One could say so. But it is not true. We formed a crisis staff here in Zagreb. It is responsible for these regional staffs.

[Orter] Do you think that this is sufficient?

[Ramljak] It is not sufficient. However, one could say that, during the present standstill, this is sufficient.

[Orter] Will Croatia use this armistice, that has already been repeatedly interrupted by the Army and several rebels, to better organize this national guard? Or is Croatia prepared to accept a peace formula that says: We cede territory to secure peace in Croatia?

[Ramljak] Not 1 centimeter. You have to know that a permanent and just peace cannot be created by such concessions. If the aggressor were rewarded with such concessions, this would also endanger international peace. This would be a precedent that might result in a third world war.

[Orter] Intensive efforts were made by the Western European countries and the EC to prepare a peaceful solution and negotiations. The mission of the so-called EC troika in Belgrade failed in an embarrassing way. The Serbs are now saying that not only the Serbs were to blame for this. The proposals were too aggressively formulated. It is stated that people are quite prepared in Belgrade to again negotiate on similar proposals. What kind of help is expected in Croatia from Western Europe or the Western world as a whole?

[Ramljak] In the first place, putting political pressure on Belgrade. Then we also expect first steps toward Croatia's diplomatic recognition. If no halt is put to the aggression, we will also expect military help.

[Orter] From whom?

[Ramljak] From Western European countries or from the UN Security Council.

[Orter] You say that you are hoping for military support from the West—military support meaning that peace troops are deployed in a buffer zone or their active participation on Croatia's side?

[Ramljak] The former one, that is, that the peace troops are deployed in a buffer zone at the border between Serbia and Croatia.

[Orter] This would be, so to say, the starting point for future peace negotiations, although Zagreb has reportedly frozen its relations with Belgrade. Can you specify what the freezing of relations with Belgrade means?

[Ramljak] Well, the measures have not been implemented in all fields. However, we have frozen economic, cultural, and related relations with Serbia—and political ones, which is normal.

[Orter] But Serbia remains, of course, a negotiating partner. You cannot create peace here without simply presenting the Serbs as the bad guys [sentence as heard].

[Ramljak] Yes, in the future. But Serbia interrupted the economic relations some months ago. [words indistinct] plundered and interrupted normal negotiations.

[Orter] More and more frequently, the Croat leadership must put up with the reproach that it actually was not sufficiently prepared for these independence aspirations and the independence proclamation, either in the administrative, or in the political, or the military sector in particular.

[Ramljak] We did not want to unilaterally say: Now we are through with Yugoslavia. For we have been and still are part of Yugoslavia. We only wanted to say: We are in favor of negotiations at the conference table and of solving the Yugoslav crisis in such a way that we are parting company.

[Orter] That is to say...

[Ramljak] This is a process. Therefore, we were not able to say that our customs offices, our policemen, and so on would be at our border the next day. We did not want to do this.

[Orter] Do I understand you correctly? When you proclaimed your independence, it was your idea right from the beginning that you would conduct long-term negotiations with the federal authorities, that might even take years, to achieve a peaceful secession from the federation?

[Ramljak] Yes.

[Orter] This development has now been, so to say, brutally suppressed and stopped by the, as you call it, greater Serbian ambitions and the Chetnik terror, with the Army's help.

[Ramljak] Yes. This is right.

[Orter] In this situation, you are, of course, confronted with the question: Do you believe that it is still possible to resume the dialogue? Or, judging from talks with people here, do you feel betrayed by Serbia and deserted by the West?

[Ramljak] Well, the dialogue is not accepted by Serbia.

[Orter] Why has the Croat leadership not succeeded in involving the political representatives of the Serbian minority in the political responsibility? The Serbs left the legislature and are no longer prepared for a dialogue now.

[Ramljak] Some negotiations [word indistinct] from the beginning. We also do not have much time to develop a long-term project. Third, we did not expect Serbia to use the Serbian minority to such an extent for its political objectives.

[Orter] Thank you very much for the interview.

Markovic, Greguric Hold Talks in Zagreb

LD1008180791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1616 GMT 10 Aug 91

[Text] Zagreb, 10 Aug (TANJUG)—Federal Executive Council [FEC] President Ante Markovic and Croatian Prime Minister Franjo Greguric, ccompanied by their aides, today held a meeting behind closed doors in the Weis Villa in Zagreb. During the meeting, which lasted nearly five hours, they discussed current economic and monetary issues, the situation in Croatia, and pending issues concerning the functioning of the federation during the period of the moratorium and the process of dissociation.

According to the statement of the Croatian Ministry of Information, the two delegations "reached an agreement on several important issues", including joint responsibility "to do everything possible to complete the harvest in eastern Slavonia", as well as a joint assessment that "it is necessary to exert maximum efforts to make the roads passable as soon as possible and ensure the unobstructed movement of people and goods."

The statement stresses that "an agreement was also reached on controversial issues concerning monetary policy where the Republic of Croatia, for no reason at all, was excluded from the operations of the National Bank of Yugoslavia." According to the ministry statement, "the two sides decided to rescind all decisions that disrupt the country's monetary system."

The statement draws special attention to the joint stand that "the suffering of the people in the Republic of Croatia, especially the emigration of the population, are serious and painful problems, and therefore decided to prepare programs, as soon as possible, for their return and to ensure their safety once they have returned." "Both federal and republican entities will do everything to achieve the full legal security of citizens in their settlements. It will also stimulate the exchange of prisoners and prevent possible fresh violence," the Ministry of Information announces as one of the results of the meeting.

A section of the statement speaks about the differing standpoints of the collocutors. "While FEC President Markovic took the view that it is necessary to continue with the reforms, Croatian Prime Minister Greguric insisted that in the first place peace must be secured, aggression against the Republic of Croatia must be halted, and the sovereignty and legal system of the Republic of Croatia must be recognized throughout its territory," the statement says.

The Ministry of Information also says that the Croatian government rejected the demand of the FEC president that Croatia pay its customs duties into the federal budget "as long as there are warlike threats against Croatia, and until units of the Yugoslav Peoples' Army withdraw to their barracks and until they stop causing disquiet among the population."

In conclusion, the statement says that an agreement has been reached that corresponding ministries of the federal and republican governments should keep in constant working contact "so a solution can be found to open questions, especially at this time of the moratorium, as well as in the inevitable period of dissociation in Yugoslavia." An initiative was also launched for fresh meetings "not only at the level of Croatia and the Federal Government, but also including representatives of the governments of the other republics," the statement on the talks between the FEC president and the Croatian government concludes.

Markovic's Request To Pay Customs Fees Rejected

LD1008211991 Belgrade TANJUG in English 1942 GMT 10 Aug 91

[Text] Zagreb, August 10 (TANJUG)—The Croatian government has refused to accept Yugoslav Prime Minister Ante Markovic's request that the Republic of Croatia pay customs fees to the federal budjet, said a statement issued after today's five-hour talks between Markovic and Croatian Premier Franjo Greguric on the functioning of the federation during the moratorium and the process of Croatia's dissociation.

The Croatian Information Ministry's statement said the Yugoslav prime minister was told that Croatia would not do so as long as there was a threat of war against that republic and until Yugoslav People's Army units withdraw to the barracks and stop disturbing the population.

While Markovic urged the need to continue the reforms, as the statement said, the Croatian premier insisted above all that peace be ensured, that the aggression on

the Republic of Croatia be stopped and that the sovereignty and legal system of Croatia be recognized on its entire territory.

The two sides reached accord, as stated, on many important economic questions. They agreed that everything be done to ensure the completion of the harvest in eastern Slavonia (crisis region in Croatia), as well as to re-establish communications and traffic and the undisturbed movement of people and goods as soon as possible, the statement said.

It added that the two sides agreed also that Croatia had without any reasons been excluded from the system of the National Bank of Yugoslavia and concluded that all decisions which have disrupted the country's monetary system should be withdrawn.

The need to draw up programs for the return of refugees and the creation of conditions for a normalization of life was underlined, the statement said.

Federal and republican organs must undertake everything to ensure the full legal security of citizens in their places of residence, the two sides concluded. They also stressed that further efforts should be made to ensure an exchange of prisoners taken during the armed conflicts in Croatia so far, the statement said.

Krajina's Babic Urges Talks To Define Country

LD1108105291 Belgrade TANJUG in English 1036 GMT 11 Aug 91

[Text] Novi Sad, August 11 (TANJUG)—Premier of the so-called Serbian autonomous region [SAR]of Krajina Milan Babic urged new talks to define "what is now really Yugoslavia."

Only after this has been done, it will be possible to discuss a federation of sovereign states with Slovenia, Croatia and Macedonia, argued Babic in a Novi Sad TV broadcast yesterday evening.

Babic said that, judging by the way a referendum was being prepared in Macedonia, that republic would follow Slovenia and Croatia, which unilaterally declared independence on June 25. He therefore saw Yugoslavia at the moment as comprising the republics of Serbia, Montenegro and Bosnia-Hercegovina, and the SAR Krajina.

In Babic's assessment, the only way to define Yugoslavia now was the initiative by Serbian President Slobodan Milosevic for a meeting of the presidents of the three republics and the presidents of their parliaments.

Babic agreed with Milosevic that those republics, which did not pass any unilateral decisions on secession or take other practical steps towards independence, should offer new solutions to the Yugoslav crisis. He believed, however, that the SAR Krajina should be invited to attend their next meeting.

Babic said he did not see Krajina as a new state. "Krajina will be part either of the Serbian state, or the state which will include Serbia," he said.

The SAR Krajina - a Serb-populated area in southern Croatia not recognized by Croatian authorities - will be part of this newly- defined state, that is, "of what we now call the rest of Yugoslavia," said Babic.

Defense Minister Wants Weapons From 'Allies'

AU1008184791 Vienna DIE PRESSE in German 10-11 Aug 91 p 4

[Peter Zehrer report: "We Will Produce Arms of Our Own"]

[Text] Zagreb—"We will have absolutely no chance in the case of a war against Serbia. Our Territorial Defense lacks any kind of weapons." In an interview with DIE PRESSE, Croatian Defense Minister Luka Besic did not succumb to any illusions. The only way out of the dilemma: "We will produce arms of our own."

According to their own information, the Territorial Defense forces were deprived of 250,000 infantry weapons —guns, machine guns, and antitank barrels— by the Yugoslav People's Army [YPA] when the Croats decided in favor of an independent democracy in the elections. "But Croatia alone paid for one-third of the YPA's total budget. However, 70 percent of the command positions were occupied by Serbs, now there are occupied by 90 percent," Minister Besic said. At present, 40 percent of the federal troops are deployed in Croatia. "They have encircled us with 110,000 men, 1,500 tanks, and 200 combat planes."

In answer to a question about the strength of his own units, the minister did not completely come out of his shell. "At any rate, the Territorial Defense is less than half as strong as the YPA." The minister says that 100,000 men who "can be drafted at any time" are the operational reserve." But they cannot be armed.

"We do not want anybody to give us a present," Besic said. "But we want our allies (he means the friendly countries—the editors) to sell us weapons. We can pay for them." At present, the Territorial Defense forces are only able to ward off the first air attack. Then the defense will break down. "We would have been able to take quite a few tanks away from the Serbs," the defense minister said, "but we did not do this, in order to avoid supplying them with a pretext for a massive attack on Croatia."

The minister basically "still sees a great opportunity to solve the crisis without bloodshed." And he makes it clear: "There is certainly a peaceful way. However, if it cannot be taken, we will have no other choice. We cannot and we will not tolerate any change of the internal borders."

Objections To Structure of Observer Groups

LD1108170191 Belgrade TANJUG in English 1604 GMT 11 Aug 91

[Text] Belgrade, August 11 (TANJUG)—Member of the Yugoslav State Presidency Commission for a Ceasefire in the Yugoslav Republic of Croatia and Federal Assembly Vice President Irfan Ajanovic today told journalists that the Croatian government has objections regarding the structure of the observer groups.

'For this reason their trip to the flashpoints in the republic has been postponed,' Ajanovic said.

According to Ajanovic, the letter which was sent to the state commission by the Croatian government made the objection that the plan of the observer mission was worked out without the participation of the Croatian Interior Ministry.

The Croatian government also objected to the fact that the observer mission does not include enough Croats and that Slovenians have not been included at all. It is also against the appointment of some members to the observer groups from the Federal Interior Ministry, Ajanovic said.

The state commission, according to Ajanovic, for this reason yesterday decided to postpone sending the observers to the crisis areas in Croatia.

Croatia's objections regarding the national structure of the observer groups have been accepted, however, not all since, as Ajanovic put it, this would cause negative reactions on the other side.

Ajanovic underscored that the state commission wishes to guarantee the objectivity of the observers.

Asked how the commission views the representatives of Serbs in Krajina and Slavonija, since the Croatian authorities proclaimed them as 'terrorists', Ajanovic said that the commission had talks with them as 'representatives of the Serbian people who have the power to suspend fire.'

'They are negotiators and we call them liaison officers', Ajanovic added.

Representatives of the Croatian government were invited to the meeting of the state commission which yesterday discussed Croatia's objections, but they did not attend it, Ajanovic said.

Ajanovic said that the state commission concluded there were no organized armed clashes except for sporadic shooting and planting of explosives in the region of Croatia over the past two days.

Asked by jouranlists on the number of casualties and captives on both sides, Ajanovic said that exact figures are still not available.

The commission has learned that the captives number around several hundred and that they have been taken to various locations, so to establish their exact number more time is needed, explained Ajanovic.

Zagreb Daily Views Transfer to Serbia, Montenegro

LD0908190191 Belgrade TANJUG in English 1212 GMT 9 Aug 91

[Text] Zagreb, August 9 (TANJUG)—The Zagreb daily VJESNIK today says in a front-page article that the transfer of the Yugoslav Army military potential to the territory of the republics of Serbia and Montenegro 'will result in a fantastic concentration of military hardware', which will in turn lead to 'the creation of a Balkan military force' similar to those in the Middle East and Gulf states.

'What is actually involved here is an anti-historic and anti-natural intention to create Serbia with the help of a Balkan superpower', says VJESNIK.

It adds that 'with the seized military potential, the superpower will be feared not only by its immediate neighbours in the Balkans, but by those in a broader area as well'.

In another commentary, the paper says that 'A return of the Army to Slovenia as a conqueror through a 'defeated' Croatia is also announced in the Yugoslav Presidency decision on the Army's withdrawal from Slovenia'. [quotation marks as received]

What the decision actually implies is not withdrawal, but transfer of Yugoslav Army Units, says VJESNIK.

It goes on to quote the former British military attache in Yugoslavia who recently urged the sending of a peace force to the country as saying that 'If the mission is not sent to Yugoslavia, this would be an end for Croatia. Serbia may take over control over almost entire Yugoslavia, including Bosnia-Hercegovina, and this may be followed by Serbia launching a military campaign against Slovenia with the help of the Federal Army'.

Daily Views Chances for Peace in Croatia

LD0908181491 Belgrade TANJUG in English 1249 GMT 9 Aug 91

[Text] Ljubljana, August 9 (TANJUG)—The Slovenian daily DELO assessed today that a continuation of the war in Croatia was more likely than a really truce.

The daily DELO assesses that there are 'false peacemakers' in the Yugoslav Presidency, which is also the commander in chief of the Armed Forces, because 'the more peace is discussed, the more victims there are in Croatia.'

The Republic of Croatia, which unilaterally proclaimed a sovereign and independent state, has for months been

the site of armed conflicts between republican paramilitary formations and the Serbian population which wants to remain in Yugoslavia. The state Presidency has now proclaimed a ceasefire which became effective two days ago.

DELO asks 'who benefits when the decision on a ceasefire in Croatia is violated on the eve of a session of the Conference on Security and Cooperation in Europe (CSCE) in Prague,' but does not say which side does not respect the decision.

DELO believes that the two members of the state Presidency (from Montenegro and Macedonia) have in fact 'recognized the legitimacy of the Serbian national councils in Croatia' through their recent visit and talks with Serbs in Croatia.

DELO further assesses that 'a part of the Serbian population in Croatia is fighting for territories with the help of Serbia and the Yugoslav People's Army (JNA).' 'The Croatian side will not agree to that,' adds the daily and concludes that all this indicates 'that chances are much greater that the war in Croatia will continue.'

Daily Calls For Resumption of Spegelj Trial

LD0908184391 Belgrade TANJUG in English 0957 GMT 9 Aug 91

[Text] Belgrade, August 9 (TANJUG)—Military Prosecutor Colonel Miladin Papic has stated that authorities in the Yugoslav Republic of Croatia should follow the orders of judicial bodies and arrest former Croatian Defence Minister Martin Spegelj, so that his trial may be resumed.

Papic's statement is carried by the Belgrade weekly NIN today, which notes that 'the Spegelj affair' has regained topicality with Spegelj's resignation as commander of the Croatian paramilitary National Guard, a duty to which he was appointed after being replaced as the republic's defence minister.

'From the standpoint of military and federal judicial bodies, Spegelj never had immunity', the military prosecutor said and added that 'his immunity has now ceased even under Croatian regulations'.

'The Spegelj affair' exploded on the Yugoslav political scene in January this year, when Belgrade television showed a secretly-filmed military material about Spegelj and his associates involved in an illegal arms import from Hungary to Croatia and in a plot to kill army officers.

Croatian authorities denied the authenticity of the filmed material. In February, the office of the military prosecutor indicted Spegelj and seven of his accomplices for conspiracy to armed rebellion in Croatia.

Colonel Papic said that 'development in Croatia testify almost daily to the charges being well-grounded'.

The office of the military prosecutor 'has both the legal and physical powers to take in Spegelj, but it has not done so in order to avoid possible confrontation and casualties', said Colonel Papic.

Autonomy Decisions Viewed as 'Unacceptable'

LD0908180991 Belgrade TANJUG in English 1035 GMT 9 Aug 91

[Text] Belgrade, August 9 (TANJUG)—The Belgrade weekly NIN today describes as unacceptable the decision of the Assembly of the Yugoslav Republic of Croatia to adopt a special law on national equality for Serbs in Croatia through cultural autonomy. NIN substantiates its claim by a recent statement by Premier of the Serbian Autonomous Region of Krajina Milan Babic that 'autonomy would not resolve the status of Krajina' and that 'Krajina will not be part of Croatian territory'.

Babic also said that Krajina had its legitimate representatives whom Croatia is trying to avoid at a conference table by blaming the conflict on Serbia.

According to him, Croatia is at war not with Serbia but with Krajina, whose authorities, Armed Forces and Serbian population are defending from an armed aggression their freely expressed will to remain in Yugoslavia.

The referendum in Knin was as legal as the one organized earlier by the Croatian leadership, says NIN. 'Croatia's warmongering trial balloons in the form of unprovoked incursions by Croatian policemen in areas with a predominantly Serbian population have created in Krajina an atmosphere of the utmost distrust, where peace only seems to exist', it adds.

At a press conference held on August 5, Croatian President Franjo Tudjman said that 'Croatian authorities are trying to ensure to the Serbs full civil rights, local self-rule in areas where they make the majority population and proportionate representation in the organs of power'.

The Croatian parliamentary initiative is aimed at passing a law on the exercise of the Serbs' national equality through cultural autonomy and at forming various organs of local self-rule on an ethnic basis. The motion should be debated on August 15.

'Erroneous' YPA Air Raid Kills Banija Rebels

LD1108212291 Belgrade TANJUG Domestic Service in Serbo-Croatian 2050 GMT 11 Aug 91

[Text] Vrginmost, 11 Aug (TANJUG)—The tragic result of an erroneous air raid carried out today by two Yugoslav People's Army [YPA] aircraft on an area near Topusko railway station and on the nearby village of Poljani was three killed and four wounded members of the Banija Territorial defense.

This tragic incident was caused by units of the Croatian Ministry of Internal Affairs and the Croatian National

Guard Corps, which opened fire on a YPA helicopter over Topusko. Two YPA aircraft were sent to reply to the attack, but they erroneously attacked an area controlled by Banija rebels. According to eyewitnesses, the error occurred because a car with traditional police markings was parked near the railway station, but the car was the property of the Krajina police.

The defense headquarters in Vrginmost informed us that an official statement on the incident is expected tomorrow, after a comprehensive investigation has been carried out.

Cease-Fire in Dalmatia Generally Respected

LD1008222791 Belgrade TANJUG in English 2049 GMT 10 Aug 91

[Text] Split, August 10 (TANJUG)—Croatian Interior Minister Ivan Vekic said tonight that the ceasefire in crisis areas in Dalmatia is, apart from sporadic incidents, mostly being respected.

Vekic said in a statement on Croatian television after meeting in Sibenik with the chiefs of Dalmatia's police administrations that he was satisfied with the coordination and the situation in the defence of the region.

Vekic also confirmed that the replacement of the chiefs of the Sibenik and Split police administrations had been discussed at the meeting but that the final decision on this would be made in Zagreb.

This was the first inspection visit by the newly appointed Croatian interior minister to this crisis region in Croatia, which ranks third after Slavonia and Banija.

Exchange of Prisoners Fails To Occur

LD1008004891 Belgrade TANJUG in English 2128 GMT 9 Aug 91

[Text] Vajska, August 9 (TANJUG)—The announced exchange of prisoners between the Croatian authorities and representatives of the so-called Autonomous Region of Slavonija did not take place in Vajska tonight.

TANJUG officially learns that there will be no exchanges of prisoners during the night.

A large center for refugees from Croatia is located in Vajska, on the Danube, in the Serbian province of Vojvodina.

An agreement on the exchange of prisoners was reached between representatives of the Croatian authorities and the so-called Autonomous Region of Slavonia, Baranja and Western Srem in the village of Dalj today.

This afternoon, Bogic Bogicevic, a member of the Yugoslav Presidency cease-fire control commission in the Republic of Croatia, announced the exchange would be held in Vajska during the night.

TANJUG unofficially learns that representatives of the disputing sides will hold talks "about technical details of the exchange" in the Slavonian town of Osijek tomorrow morning.

Official Summarizes Weekend Attacks, Casualties

LD1208095491 Zagreb Radio Croatian Network in Serbo-Croatian 0900 GMT 12 Aug 91

[Summary] An assistant minister in the Croatian government reports that during the weekend, terrorists—without any reason or motive—continued their armed activity. During this period 22 serious attacks on the forces of the Ministry of Internal Affairs [MUP] and the civilian population were recorded. Overall, since the enactment of the cease-fire decision on 7 August, 49 serious violations of the decision have been recorded.

During 10, 11, and 12 August one member of the MUP died and five were injured in the attacks. Overall, since the beginning of the troubles in the republic, 117 members of the MUP have been killed—there is still incomplete information about the number of those who were killed or injured in Dalj—and 287 have been injured. During the weekend two citizens and one terrorist died. So far 39 citizens have been killed and 122 have been injured.

Serbia

Jovanovic on Situation, Ties With Hungary

LD1008173791 Budapest MTI in English 1555 GMT 10 Aug 91

[Text] Budapest, August 10 (MTI)—'Serbia has always wanted Yugoslavia to continue to exist in its full territorial unity... There is a very simple reason for this: One-third of the Serbs live in other republics of the country. On the other hand, the Serbs played the greatest role in the creation of Yugoslavia,' Serbian Foreign Minister Vladislav Jovanovic said, in an interview carried in Saturday's issue of the daily NEPSZABADSAG.

Jovanovic is attending the crisis meeting of the Conference on Security and Cooperation in Europe (CSCE) in Prague as an invited guest.

In answer to a question by the daily's correspondent regarding the right to self-determination of nations, Jovanovic said:

'This right should, naturally, be respected, the Federal Constitution guarantees the right to self-determination to all nations and national minorities. As long as the Croat nation utilizes this right, it cannot deprive the Serbs living in Croatia of this same right. And what the Serbs living there want is to be able to live in Yugoslavia, even if Croatia leaves the state.'

- How do you evaluate Hungary's policy regarding Yugoslavia, do you see any difficulties in this respect? - was the next question. The Serbian foreign minister said:

'I have been foreign minister for a few days only, I have not had time to examine all the documents thoroughly. But, on the level of principles, I must note that all neighbours should be good neighbours of the other, and should do everything possible to prove this. All that does not contribute to intensifying mutual confidence should be eliminated from relations. There were several incidents in the pasts, those certain Kalashnikov deliveries. We have received an official promise that similar cases will not occur. We attach our hopes to this promise, and we would like to maintain the best possible relations with Hungary in the future. For our part, we would like to intensify the bases of profitable cooperation with Hungary, in all areas,' Jovanovic said.

Foreign Minister's Remarks in Prague Cited

LD1008154891 Belgrade TANJUG in English 1402 GMT 10 Aug 91

[Text] Prague, August 10 (TANJUG)—Czechoslovak dailies today carry a statement of Serbian Foreign Minister Vladislav Jovanovic that the Yugoslav republic 'Serbia has no territorial claims' inside Yugoslavia.

Jovanovic visited Prague as a guest of the Yugoslav delegation attending the meeting of the Crisis Committee of the Conference on Security and Cooperation in Europe (CSCE) and as such had a number of meetings with hosts and foreign journalists, including a news conference.

The daily cites that Jovanovic 'denied that Serbia today is the last island of communism or bolshevism in Yugoslavia', i.e. in Europe, saying that 'Serbia's image abroad has been unjustly blackened.'

'According to Jovanovic, charges that Serbia is nationalist and chauvinist are unfounded,' LIDOVA DEMOKRACIE today writes.

'It is true that Serbia is for the preservation of Yugoslavia but at the same time it respects the right to self-determination, but provided that the same standard is applied to all peoples', the trade union daily PRACE quotes Jovanovic as saying.

Politician Urges Correct Views of Country

LD1108115491 Budapest Kossuth Radio Network in Hungarian 0630 GMT 11 Aug 91

[Milan Nikolic, chairman of Serbian Social Democratic League, interviewed by Jozsef Barath in Budapest on 10 August; both speakers in English with superimposed Hungarian translation; first graf is announcer's introduction—recorded]

[Excerpts] [Announcer] At the weekend, social liberal politicians of Central and Eastern Europe met in Budapest to discuss the Yugoslav crisis. Jozsef Barath took advantage of this opportunity to interview Milan Nikolic, chairman of the Serbian Social Democratic League.

[Barath] What do you think, who has the key to a solution? The White House in Washington, or the European Community?

[Nikolic] Well, the big powers, of course primarily the United States, can do a great deal, simultaneously by means of money and pressure. In the case of Yugoslavia, a very delicate political approach is necessary. The European Community is also a very important factor, but unfortunately even they have been unable to maneuver between the underwater reefs. They are not sufficiently familiar with Yugoslavia. So far they have done more harm than good. They have been unable to comprehend that there are no good or bad guys among those currently in power in Yugoslavia. All those now in power are bad. There is no black or white among them.

Look at what the West did: At first they supported the Serbian nationalists, now they are making eyes at the Croatian and Slovenian nationalists. They do not understand that they must not join forces with any kind of chauvinism. Only we, the democratic opposition that struggles against the nationalists, are clean. I say this without modesty, but in the awareness that no one has listened to this yet. The time will eventually come when what we say now will be remembered. However, until then much suffering awaits us.

The West ought to deal identically with the nationalists and it should not choose between them. I do not see how much worse Mr. Milosevic is than Mr. Kucan or Mr. Tudjman. I could give many examples of this, if you listen.

Let us not forget that after all Slovenia began the war by violating the Helsinki principles and being the first, since the Second World War, to change international borders. I propose that the West should forget the cartoon-like notion that a small likable nation is running toward independence, and is being chased by an ugly big communist army. If those abroad want to help us, they should forget the Tom-and-Jerry image. Whether it is Milosevic or Tudjman, or, together with them, Kucan, the picture is the same.

[Barath] And what can you do? No one is in control of the situation.

[Nikolic] Well, at present this is so in a certain sense, because they have managed to manipulate the masses. Democracy, the negotiating table, are the sole possibility. However the picture which is depicted by the Western, and unfortunately the Hungarian, press—if I can allow myself to criticize—is bad and of no use.

It is bad not only because of its information content, but also because it leads to a bad political attitude. The type of position taken by our neighbors is very important for us. Hungary is a neighbor.

I must say something else: If anyone in Hungary might think that a possible war in Yugoslavia would stop at the borders, I must disappoint him. He is wrong, he believes

a stupidity. The Hungarians are also in danger. War would initially creep via Kosovo across to Albania, and then from Vojvodina to Hungary. The worst is ahead of us, and that is why it is a big problem that the European Community is being very hesitant and making very many errors. They ought to be stronger in exerting pressure and in making promises. However, they unfortunately do not understand the situation. They believe that it is possible to build a Yugoslav community of nations on a European model. This is not possible, because it is not possible to form nation-states. The sovereign republics would have to consist everywhere of autonomous provinces.

This is so everywhere, not just in Serbia. Cf course Serbia must give autonomy back to Kosovo and Vojvodina. Bosnia must generally consist of autonomous territories. Croatia must give autonomy to Knin-Krajina and Eastern Slavonia. However, even this is not enough. A bicameral legislature is necessary, and in one of the chambers every nationality would have the right of veto. The Serbs cannot decide on the affairs of the Albanians or the Magyars, just as the Croats cannot decide in place of the Serbs.

Naturally it is easy to form concepts, but it is very difficult to persuade people if they have already taken up arms to shoot at one another. In the long term I am confident, because people will sooner or later perceive their interests. In the final analysis no one likes it if there are killings, if his house is destroyed, if the shops are empty. However we have made too many errors to date—we, within the borders, and those abroad too. The people have not yet understood that violence turns against them. The Serbs believe they will always be victorious; the Croats believe themselves to be superior. [passage omitted]

An agreement now would be better, but if this is not possible, we still know that the end of every war is a peace treaty. The Yugoslavs must live together, there is no other solution.

Serb, Croat Prisoners Exchanged; Interviewed

AU1108205591 Pristina TVP Sat TV in Serbo-Croatian 1730 GMT 11 Aug 91

[Viktor Papic report]

[Excerpt] [passage omitted] About 1600 information reached the Adasevci Motel that the exchange [of prisoners] was successfully completed. Ten members of the Croatian Ministry of Internal Affairs were exchanged for 10 Serbian fighters somewhere on the highway between Djakovo and Osijek, deep in Croatian territory. Serbian fighters are well, although they are exhausted after having spent between 25 and 40 days in a prison in Osijek. We will now try to talk to them about their first impressions in the Sid police station where they are at present. So, here is the Sid police station and the Serbian fighters who were freed in the first exchange that was agreed through the SFRY Presidency's commission for a cease-fire.

[Papic] Djuro, how were you captured and when?

[Djuro Belic, from the village of Sodolovci] On 7 July, during the defense of the village.

[Papic] [words indistinct] attacked?

[Belic] Yes, they came and opened fire, started to shoot.

[Papic] Were you armed or...?

[Belic] Yes I was.

[Papic] And you surrendered. They caught you.

[Belic] They surrounded me.

[Papic] How many days were you detained?

[Belic] I was immediately taken to the Djakovo Secretariat for Internal Affairs. There, I was beaten up and interrogated.

[Papic] They beat you up. Where were you beaten?

[Belic] I have a scar here [Belic points to the area around his right eye and right cheek].

[Papic] This has already healed, hasn't it.

[Belic] Yes.

[Papic] How many days did you spend in prison?

[Belic] One day, I do not know. We were in the Osijek Secretariat for Internal Affairs by the evening, by about 2100. After that, about 1230, we were taken to prison. I was there 38, 30 something days.

[Papic] How were you arrested?

[Vasilije Ikovic from Sabac] On the highway, on the very border....

[Papic] Were you in the fight or...?

[Ikovic] I was going to Sid, that area.

[Papic] Were you armed?

[Ikovic] Yes I was. Weapons were behind [words indistinct]

[Papic] How were you captured, how were you caught?

[Ikovic] The first patrol stopped me. Actually I passed the first patrol and I tried to escape but came against another patrol which stopped me and....

[Papic] How did they behave, what happened?

[Ikovic] At about 2200 they began to maltreat me continuously.

[Papic] How did they maltreat you?

[Ikovic] With an ordinary stick....

[Papic] They beat you?

[Ikovic] They beat me, maltreated me. They placed a knife here [Ikovic shows his left cheek near the ear]. I think there is even a scar here. I do not know whether you can still see it. They put a knife here, they held a knife there. After that another person put another knife under my nose while I was beaten with a stick on my stomach, and so on.

[Papic] You must be quite bruised?

[Sinisa Grujic from Sabac] I am all right in comparison with how I was before. I am all right. Regarding these horrors of torture, I think the films about partisans are funny in comparison.... [Papic interrupts him by pointing to his body] On your throat....

[Grujic] No, I have a cut from a knife [Grujic shows his left cheek]. I was also cut....

[Papic] With their army knife, the one carried by the members of the Ministry of Internal Affairs?

[Grujic] No, with some kind of strange knife that has blades on both sides. They were knifing me, then....

[Papic] Srbosjek [a Serbian cut]?

[Grujic] I do not know what [this is called]. The worst part is that they were getting a kick out it. They threatened to cut off my balls. You understand.

[Papic] How?

[Grujic] With a knife.

[Papic] Were you naked?

[Grujic] No, they took my clothes off and asked me whether I wanted them to cut my right or left ball off, or both of them. They also threatened to gauge out my eye, you know. I think....

[Papic]) Were you very afraid?

[Grujic] You know what, I was afraid at the beginning. When I arrived there, I said goodbye to my life. I thought this was the end.

[Papic] [words indistinct] you two as your friend?

[Grujic] This changed when we came to the Osijek Investigative Prison. They concentrated on me there, particularly the president of the court, Arambasic.

[Papic] In Osijek.

[Grujic] Yes. Yes. All the time he....

[Papic] Arambasic?

[Grujic] He put me in front of cameras as a terrorist all the time, as a Chetnik.

[Papic] In front of a camera?

[Grujic] Yes, as a Chetnik, a saboteur, you name it.

[Papic] Are you a Chetnik, are you a terrorist?

[Grujic] I am not a terrorist, I am certainly not a terrorist. Regarding my status, I did not even have enough time to show them who I am (?and they can call me what) they want. [passage omitted]

Assembly Representative on Language Law

AU1008181491 Budapest UJ MAGYARORSZAG in Hungarian 6 Aug 91 p 10

[Interview with Serbian Assembly Representative Sandor Pall by Marton Matuska; place and date not given: "This Law Equals Suicide!"]

[Excerpts] "Geographical place-names, names, and property names appearing on public signs cannot be exchanged for other place-names or names, and in national minority languages, they should be written according to the grammatical rules of the language concerned." That is what one of the passages says in the language law passed at the beginning of last week by the Serbian Skupstina. [passage omitted]

What does Sandor Pall have to say about this language law?

[Pall] The law regulates three fundamental issues in an unsatisfactory way. These three issues constitute a major setback, compared to the previous conditions in Vojvodina. [passage omitted]

The first issue is the spelling of geographical place-names. Signs with place-names and toponyms in general cannot be written according to the forms and spelling of a national minority language. It is untrue to say that national minority place-names are a translation from Serbo-Croat, and it is also untrue to say that a place can only have one name. [passage omitted]

[Matuska] What is the second dubious point?

[Pall] The second issue is that the law determines the spelling of place-names, stating that Serbo-Croat names can also be spelled in national minority languages. For example: Novi Sad in Cyrillic letters would become Novi Szad in Hungarian letters [the actual Hungarian is Ujvidek], Subotica would become Szubotica [the Hungarian name is Szabadka], and Backa Topolya would become Bacska Topola. That is a linguistic innovation that does not exist anywhere else in the world. That is not a language; it is brutal interference in the rules of Hungarian spelling and in the Hungarian language. It is as though Serbo-Croat names had to be written in Chinese or Arabic letters—that is possible, but it is not compulsory. Therefore, the Serbian language law interferes with Hungarian spelling, and that is unacceptable.

[Matuska] Many people claim that the situation of Hungarians in the SFRY has been solved in an exemplary fashion, for all the world to see.

[Pall] Well, that is a theory that our politicians inherited from the 1960's and 1970's, when the situation of national minorities in the SFRY really did seem exemplary. Nothing remains from this apparent equality in rights and status. Today, they openly say that national minority languages are second-rate. [passage omitted]

[Matuska] You mentioned a third moot point in the law.

[Pall] The third issue is that the law does not guarantee the use of national minority languages and forms of writing. The law does not determine a minimum quota—for example, if five or 10 percent of the inhabitants in a given community belong to a national minority, the law should automatically make the national minority language an official language. The lack of such a determined quota means that the individual communities have to decide, and it may well happen that one community decides to make the use of national minority languages compulsory if the national minorities account for five percent of the inhabitants, whereas another community might not even make national minority languages compulsory if the minorities account for 30 percent of the inhabitants. [passage omitted]

Assembly Rejects Remission of War Compensation

LD0908212491 Belgrade TANJUG in English 1648 GMT 9 Aug 91

[Text] Belgrade, August 9 (TANJUG)—The Yugoslav Republic of Serbia Assembly sent today to the Yugoslav Assembly a declaration annulling the country leadership's decisions on remitting indemnity for war damage caused by Germany, Bulgaria and Hungary.

The declaration, adopted at the Serbian Assembly meeting at the end of last month, will also be forwarded to the parliaments of Germany, Hungary and Bulgaria.

The Serbian Assembly considers that the 'master of Yugoslavia Josip Broz Tito' was not authorized to forgive the compensation of war losses to Yugoslavia, which amounts to some three billion dollars for Bulgaria and to some two billion dollars for Hungary, or to make a secret arrangement with the then Federal Republic of Germany president.

Under that arrangement, Tito had accepted to shelve the issue of indemnity in exchange for a German credit to Yugoslavia amounting to a billion marks, former German Chancellor Willy Brandt said in his memoirs.

Serbia quoted that at the Paris peace conference this indemnity was fixed at what would today amount to 84 billion dollars.

Serbia and the overall Serbian population were supposed to receive at least four-fifths of this indemnity, it is said in the declaration.

Rugova Says USSR Indirectly Supporting Serbia

AU0908135791 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 9 Aug 91

[Milivoje Mihajlovic report on news conference by the Democratic Alliance of Kosovo in Pristina on 9 August]

[Text] In their attempt to internationalize problems in the province, Albanian parties from Kosovo and Metohija increasingly talk about relations between Serbia and the Soviet Union.

Ibrahim Rugova, president of the Democratic Alliance of Kosovo, also spoke about this today. The Soviet Union indirectly supports Serbia's stands and this, according to Rugova, is the old Bolshevik concept. The leader of the still-largest party of Kosovo Albanians claims that in this way Moscow wants to prevent the disintegration of the Soviet Union.

Albanians do not want a war, but if there is no other way, we are here, Rugova said. He justified the concentration of the neighboring Albania's troops on the border with Yugoslavia by saying that Albania is obliged to take care of a section of its people who live in Kosovo. Rugova explained the exodus in Albania with the serious economic crisis and, as he said, the wish of Albanians to maintain contacts with the world.

This party supports [French President] Mitterrand's proposal that the peoples of Yugoslavia decide the future of the country through a referendum, because, as stated, Albanians are the third largest nation in Yugoslavia. It was also said that a European conference on Yugoslavia would speed up a resolution to the crisis in Yugoslavia.

Kosovo Albanians Fear 'Pan-Slav' Alliance

AU1108184291 Belgrade Radio Belgrade Network in Serbo-Croatian 0800 GMT 11 Aug 91

[Milivoje Mihajlovic report from the "Sunday at Ten" program]

[Text] There were again new incidents on the Kosovo-Metohija side of the Yugoslav-Albanian border last week. On 7 August two Albanians from the village of Malic near Djakovica were killed in an attempt to illegally flee to Albania. Two days later, during a similar attempt, a group of people trying to illegally cross the border opened fire on the border patrol. Almost at the same time fire was opened on our border guards from inside Albania. Our border guards did not spare ammunition either. The border guard claims that there were no casualties as a result of this incident.

At a time when the European public is shocked by the exodus of refugees from Albania, the attempts made by the Kosovo Albanians to cross the Prokletije Mountain

could only be explained by political motives. Albanian separatists are trying to maintain and intensify the crisis in the border area. This is only a part of the campaign to internationalize problems in Kosovo. The local Albanian language press leads the way in doing this. It is finding enemies everywhere. Of course, Serbia and Serbs are the main culprits for all the problems of Albanians.

However, last week Croatian President Tudjman, who had been the Albanian's main ally until recently, also found himself on the list of unwanted persons. The Albanian press yesterday criticized the Croatian president for, as claimed, signing a peace agreement with Serbs on 7 August. The magazine ZERI I RINISE stresses that the Yugoslavia that is defended by Albanians suits Tudjman now. A fairly pessimistic commentary concludes that only Austria has understood that Serbia is most responsible for the situation in the country, and that the Gorbachev-Bush talks have extended Yugoslavia's life for a few more decades.

Kosovo is the victim of agreements among the Slavs, the Albanian press in Kosovo points out. The leaders of Albanian political parties increasingly often stress the connection between Serbia and the Soviet Union. The Orthodox, pan-Slav alliance is justified with the assumption that the Soviet Union would not allow Serbia's defeat because this would mean a definite fall of the Russian militaristic [militaristicki] leadership. At a regular news conference on the premises of the Democratic Alliance of Kosovo some Croatian media correspondents tried very hard to prove that Serbia, in addition to communist Russia, also has Italian Fascists as allies. Ibrahim Rugova briefly commented on this by saying that everybody is looking for suitable political partners.

Only once Serbia is left without its big brother, the Soviet Union, can Albanians accomplish their aims, the local Albanian language press claims. It is clear why Albanian separatists are promoting this and similar inventions. Not only has what they promised to the Albanians not been achieved in the last two years, but they are also further away from the Kosovo republic than ever. To justify this inefficiency and retain their political positions, they need a strong enemy, even if it is an invented one. This enemy is found in the Soviet Union.

An Albanian youth paper carries on an entire page a collage featuring Mikhail Gorbachev, who is wearing a sajkaca [a traditional Serbian cap], and George Bush, wearing a white Albanian cap. There is a serious conflict between Albanian propaganda and reality. For instance, the press carried a list of students who were accepted to Pristina University through illegal, invalid applications. The editorial in a local paper states that the day of freedom will come when Albanians comprehend that death or freedom is not just an empty phrase.

Albanians know what death for freedom means. It is high time to attain it. Can an ordinary Albanian, who knows that even a car can no longer be driven without a seat belt without being fined, consider such a call for uprising serious?

Kosovo Opposition Calls For European Conference

LD0908160291 Belgrade TANJUG in English 1407 GMT 09 Aug 91

[Text] Pristina, August 9 (TANJUG)—Ibrahim Rugova, leader of the Democratic Alliance of Kosovo (DSK), the most influential opposition party of ethnic Albanians in this province which is an integral part of the Yugoslav Republic of Serbia, today urged the calling of a European conference on Yugoslavia.

Rugova assessed at a news conference in Pristina that this would be the best option for resolving the Yuogslav crisis. Rugova welcomed the decision of the Yugoslav state presidency on a ceasefire in the Yugoslav Republic of Croatia which went into effect two days ago.

Rugova denied growing public claims in the Republic of Serbia that Albanians are preparing to "open a southern front in Yugoslavia". in Kosovo. According to Rugova, ethnic Albanians did not have the means to prepare for a war which Serbia "is constantly offering and imposing on them", he added.

After a journalist commented that neighboring Albania has alerted its armed forces, Rugova noted that all of Yugoslavia's neighbors have done the same.

Rugova said that he did not consider this to be a threat particularly since Albanian President Ramiz Alia did not mention "opening a front" in Kosovo as has been so freely interpreted by the Serbian press.

Rugova said that Yugoslav People's Army forces are massing on the Yugoslav side of the border with Albania. He said that Albanians still wish to resolve the Kosovo problem in a peaceful way but if an armed clash does break out "Albania will not remain indifferent", as he put it, "it will defend ethnic Albanians in Kosovo."

The Democratic Alliance of Kosovo as well as other opposition parties of ethnic Albanians are for creating "a Greater Albania" and this is the reason they have procliamed as their main political goal the creation of the republic of Kosovo, its secession from Serbia and Yugoslavia and joining with Albania.

DZVM President Writes to Mesic on YPA Service

LD1108180491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1642 GMT 11 Aug 91

[Text] Novi Sad, 11 Aug (TANJUG)—Andras Agoston, president of the Democratic Community of Vojvodina Hungarians Party [Stranko Demokratska Zajednica Vojvodjanskih Madjara; DZVM] has sent a letter to SFRY Presidency President Stipe Mesic in which he

suggests that the conscripts who are Vojvodina Hungarians should be demobilized and pulled out of the war conflict area. The letter says, among other things:

"I am writing to you on behalf of the DZVM Presidium with the request that in keeping with your constitutional powers you provide assistance to Hungarians in Vojvodina, wherby in keeping with appropriate international norms as members of a national minority they may be spared being dragged by force into an interethnic conflict within the borders of the SFRY."

"DZVM is one of the originators of, and is participating in, the growing peace movement, the aim of which is to preserve Yugoslavia and bring about a peaceful solution to the problems that have accumulated within the country. Unfortunately, there are great difficulties in bringing about any actual changes; exchanges of fire are stopped with the greatest of difficulties and the number of people in armed formations is not falling. The Hungarians have recently mourned the death of a young man, Robert Barath, who had come from as far as Germany to pay his debt to his country and do his military service. His pointless demise while serving in the Yugoslav People's Army convinces us that there are no political objectives in ethnic conflicts worth dying for. Vojvodina Hungarians, as well as all well-meaning citizens of this country, want peace and the chance that no one, including the army, can drag them against their will into inter-ethnic conflicts in the country.

This is why we suggest you should examine the possibility of the Vojvodina Hungarians being demobilized and withdrawn from all war-conflict areas.

This measure would be meaningful for two reasons at least: Tensions along the lines of fire would be reduced to some extent and, which is most important, the internationally sanctioned principle would be established that no one can be dragged into interethnic war conflicts against his will," the letter reads.

Macedonia

Belgrade Daily Views Independence Referendum

LD0908212591 Belgrade TANJUG in English 1644 GMT 9 Aug 91

[Text] Belgrade, Aug 9 (TANJUG)—The Belgrade POLITIKA-EKSPRES daily assesses today that a referendum called in Macedonia for September 8 'pushes this republic out of Yugoslavia' and 'into an adventure of unforeseeable effects.'

The daily recalls that Macedonians will have to answer one question: 'Are you for sovereign and independent Macedonia and (its) right to association into a future alliance of the sovereign states of Yugoslavia.'

The question, writes the daily, brings Macedonians to the fait accompli because they are offered only one choice, notably 'an independent, sovereign Macedonia in some fictituous alliance of sovereign states.'

The daily wonders whom Macedonia thinks to create an alliance with.

The Yugoslav Republic of Slovenia favours merely an economic community of sorts, while Croatia needs an alliance just to remain in its present boundaries after leaving Yugoslavia to found an independent state, a millenium-old objective openly declared by the Croats.

The Yugoslav republics of Serbia and Montenegro favour a federation so that their peoples would live in one state, while, after an announced history-making Serb-Moslem accord, the Yugoslav Republic of Bosnia-Hercegovina is fleeing away from an alliance of states, the POLITIKA-EKSPRES writes.

In pointing out that one may or may not use the right to enter an alliance of states, the daily concludes that 'the creators of a referendum' in Macedonia are in fact counting on the formation of an independent state rather than on a confederation.

Sovereignty Issue Assessed

LD1008161691 Belgrade TANJUG in English 1320 GMT 10 Aug 91

[Text] Skopje, August 10 (TANJUG)—'A reduced federation is unacceptable to the Republic of Macedonia,' the evening paper VECER writes on Saturday.

'In view of the irrevocable determination to leave the Yugoslav community manifested by Slovenes and Croats so far, a referendum on the sovereignty of Macedonia, set for September 8 this year, will most probably mean Macedonia's break with the rest of Yugoslavia,' notes the paper on the basis of republican Minister Ljubomir Frckovski's reply why Macedonia cannot stay on in the remainder of Yugoslavia.

Frckovski told VECER that the political position of Macedonia would be jeopardized, i.e. that its 'authentic political attitudes would be essentially underestimated or under pressure' in any kind of reduced Yugoslav Federation.

The republican minister described as 'quite well estimated' Macedonia's concern for determining its independence and sovereignty in political and legal terms and for subsequently joining the community of sovereign Yugoslav states on the basis of a federation with all six republics.

'Nobody can have any dilemmas or reserves on this point now that a decision on the referendum was adopted,' pointed out Frckovski in the interview to VECER.

Montenegro

Kostic Interviewed on Future of Country

LD1008161491 Belgrade TANJUG in English 1111 GMT 10 Aug 91

[Text] Titograd, August 10 (TANJUG)—Vice President of the Yugoslav Presidency Branko Kostic has stated he can hardly imagine Yugoslavia as it is, in the same frameworks, still existing in a year from now.

I am sure that Yugoslavia will continue to exist as a state community which has preserved its status of international subject, but no longer within its present borders, Kostic told POBJEDA, a paper published in the capital of Montenegro, the republic he represents on the state Presidency.

For this reasons, Kostic said, he did not believe he would become president of the collective head of state next year according to the annual rotation principle stipulated by the body's rules of procedure.

I believe that future Yugoslavia should have no organ such as the Presidency. It should be a community of sovereign peoples and republics with a collective organ whose role should be much better defined under the Constitution than the one of the existing Presidency—said Kostic.

More important however is whether the new, reorganized Yugoslavia will be created by peaceful means—'which we advocate'—or as a result of a war conflict—'which we fear,' he noted.

The current cease-fire in Yugoslavia cannot last long unless a political dialogue on the country's future organization opens at the same time, pointed out Kostic in the interview to POBJEDA.